Austria ... Sch 15	Indonesia ... Rp 1500	Philippines ... Pes 20
Bahrain ... Din 0.650	Italy ... L 1100	Portugal ... Esc 65
Belgium ... BFr 35	Japan ... Y550	S. Arabia ... Rls 6.00
Canada ... C$1.50	Jordan ... Fils 500	Singapore ... S$ 4.10
Denmark ... Dkr 7.00	Kuwait ... Fils 500	Spain ... Pta 95
Egypt ... LE1.00	Lebanon ... LL 6.00	Sweden ... Skr 6.50
Finland ... Fmk 5.00	Luxembourg ... LFr 35	Switzerland ... SwFr 2
France ... Fr 5.00	Malaysia ... Rm 4.75	Tunisia ... Din 0.600
Germany ... DM 2.00	Morocco ... Dh 6.00	Turkey ... L 130
Greece ... Dr 60	Netherlands ... Fl 2.25	U.A.E. ... Dh 6.50
India ... Rup. 15	Norway ... Nkr 6.00	U.S.A. ... $1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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World bank debt: Of profit and imprudence, Page 16

NEWS SUMMARY

GENERAL

Radio Solidarity organiser jailed

The man who ran the clandestine *Radio Solidarity during martial law in Poland*, Zbigniew Romanaszewski, was sentenced to 4½ years in prison.

His wife Zofia, an announcer on the network, was given three years. Seven other people were given from two and a half years to seven months by a Warsaw military court.

Radio Solidarity started broadcasting last April to encourage opposition to martial law and provide information on demonstrations and arrests. Page 3

Israelis convicted

Four Israeli soldiers were convicted in Tel Aviv of brutally mistreating *Palestinian students on the West* Bank last year. Page 4

Bomb suspects held

Spanish police in Barcelona and Valencia arrested a number of Right-wing extremists suspected of involvement in the 1980 bombings of the Bologna railway station and a Paris synagogue.

Oil kills birds

Nearly 2,000 dead seagulls, guillemots and razorbilled auks have been washed up along the Normandy coast after a freighter expelled burnt fuel oil into the sea.

Law change protest

Pakistan police used tear gas and baton charges to break up a women's demonstration in Lahore against proposed law changes which include making the testimony of one man equal two women.

Italy spy charge

Soviet airline official Victor Pronin, 46, was charged in Rome with political and military espionage.

Health talks fail

Talks aimed at ending a strike by Italy's hospital doctors failed. The doctors are refusing to sign a service contract accepted by lower-grade health workers.

Oarsman at Tahiti

Englishman Peter Bird, 36, rowing the Pacific alone in a 10-metre boat, has reached Tahiti five months after leaving San Francisco.

Racehorse tip

An anonymous Belfast telephone caller told news agencies the champion racehorse Shergar, stolen in Ireland last week, was in the Middle East ready to be used at stud.

Arms dealer cleared

A U.S. jury in Dallas acquitted British arms dealer Ian Smalley of conspiring to smuggle arms to Iran and Iraq. The jury foreman criticised the U.S. Government for bringing the case to trial.

Wanted man flees

Francois Besse, wanted in France for alleged jewel robbery, slipped e police escort as he arrived at a Madrid court. He has escaped prison five times already.

Drinking doubles

The value of world alcohol consumption has doubled in the past 20 years to about $170bn, according to a United Nations report.

Briefly ...

South Australian bush fire toll reached 68. Page 18

Holland gave foreign residents the right to vote in local elections.

Tancredi Pasero, Italian opera singer, died, aged 90.

BUSINESS

Volcker warning on U.S. banks

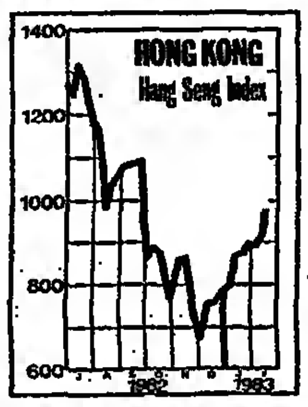
● **U.S. FEDERAL Reserve Board chairman Paul Volcker warned Congress not to impose excessive regulations on commercial banks which have made loans to countries in financial trouble.**

He told the Senate Banking Committee, which is pressing for tighter controls on lending as a condition for approving quota increases for the IMF, that approval of the IMF contributions was essential to the health of the U.S. economy. Earlier story, Page 5

● **DOLLAR** rose to DM 2.3975 (DM 2.389), SwFr 1.9925 (SwFr 1.9825), FFr 6.8025 (FFr 6.7725) and Y233.3 (Y232.75). Its Bank of England trade-weighted index was 119 (118.8). Page 36

● **STERLING** fell 65 points to $1.5425. It fell to DM 3.7 (DM 3.7025), and Y360 (Y360.75), but rose to SwFr 3.075 (SwFr 3.0725) and FFr 10.4925 (FFr 10.4825). Its trade-weighted index was unchanged at 80.7. In New York the pound closed at $1.5407. Page 36

● **GOLD** fell $4.5 to $504 in London. In Frankfurt it fell $3.5 to $505 and in Zurich it fell $3 to $505.5. In New York the Comex February settlement was $502.8 ($505.7). Page 33



● **HONG KONG:** Hang Seng index gained 29.9 to 974.22. Page 29, 32

● *LONDON:* FT Industrial Ordinary index fell 5.7 to 650.3. Government Securities eased. Page 29. FT share information service, Pages 34, 35.

● **WALL STREET** closed up 1.48 at 1088.91. Page 29. Full share listings, Pages 30–32

● **TOKYO:** Nikkei Dow index lost 39.14 to 8,106.27. Stock Exchange index slipped 0.88 to 589.35. Page 29, 32

● **FRANKFURT:** Commerzbank index fell 4.8 to 771.6. Page 29, 32

● *SOUTH AFRICA*'s import surcharge is to be reduced from 7.5 per cent to 5 per cent. Page 4

● **DENMARK's** trade deficit increased from Kr 10.3bn to Kr 12.7bn ($1.5bn) in 1982.

● **FORD** the second biggest U.S. car *manufacturer, reported* a $657.8m loss for 1982 after a loss of $236m in the final quarter. The losses were an improvement on the *$1.06bn Ford lost in 1981 and the* $346m loss in the fourth quarter of that year.

● **AMBROSIANO** Holding, the Luxembourg subsidiary of the failed Banco Ambrosiano of Italy, offered to sell e majority stake in Gotthard Bank, Switzerland's largest foreign bank.

● **BRITISH STEEL** is to receive an additional £245m ($378m) government aid for the financial year to the end of March. Page 18

● **FRENCH** Government is likely to reduce sharply its stake in Olivetti, the Italian office equipment company. Page 19

● **CIBA-GEIGY**, the Swiss pharmaceuticals company, lifted post-tax operating profits 19.4 per cent to SwFr 622m ($314m) in 1982. Page 19

● **MOBIL'S** West German subsidiary incurred a provisional loss of DM 170m ($70m) in 1982

Brussels calls for faster measures against dumping

BY JOHN WYLES IN BRUSSELS

The European Commission yesterday urged the Council of Ministers to speed up procedures for dealing with "unfair trading practices" by third countries which are allegedly damaging Community producers in the EEC market or elsewhere.

The proposal could furnish an important addition to the EEC's armoury of protective devices and at the same time win French support for efforts to knock down barriers to the Community's internal trade.

The Commission is basically proposing a system that would allow it to take countermeasures against offending nations within a fixed timetable. There would be an absolute maximum of 10 months between the filing of a complaint by an industry or manufacturer and the taking of a decision.

In practice, the period could be even shorter but, even if an investigation went its full length, the outcome would be much faster than most recent anti-dumping investigations.

The aim is to produce a mechanism equivalent to the "smoking gun" impact of section 301 of the 1974 U.S. trade act, according to senior officials.

This section states that the U.S. president can suspend or withdraw trade agreement concessions or impose duties and other restrictions on an offending country's imports.

"The president may take action on his own or may act on a petition filed with the U.S. trade representative," the section says.

Significantly, senior Commission officials said the new procedures could be used to retaliate against such actions as the recent U.S. wheat flour sale to Egypt which has robbed the EEC of one of its traditional markets.

In the new scenario, the Community would be able to conduct its own investigation and exact its own penalty at the same time as it submits a complaint against the U.S. to the General Agreement on Tariffs and Trade (Gatt) in Geneva. The penalty could take the form of new customs duties on U.S. products or the imposition of other restrictions.

Mr Jos Loeff, the Commission's deputy director general for external affairs, said yesterday the Commission's proposal would complete the existing *defensive* armoury of anti-dumping procedures, safeguard and surveillance mechanisms for dealing with subsidised imports.

He *said existing* weapons could not deal with some of the abuses encountered by EEC companies, such as administrative restrictions which damp down imports.

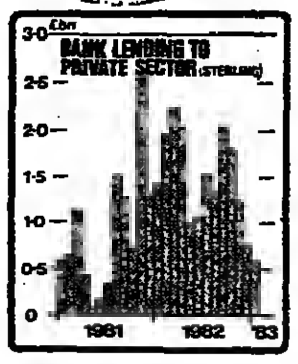
Under yesterday's proposals, however, EEC's response would in each case be in line with its international obligations, and its investigation would aim at transparency and fairness, Mr Loeb said.

The proposal may be seen as evidence of e protectionist drift within the EEC. Ill-founded complaints might be made in order to intimidate competing companies. But the Community believed it was suffering from just this kind of treatment when the U.S. Trade Act was *wielded against steel imports from* the EEC last year.

Partly as a result, France submitted a memorandum last summer calling for a mechanism which could be as effective and swift as the U.S.

The Commission has made a breakthrough on the internal market one of its top priorities this year.

Consumer call for farm freeze, Page 3



UK rise in bank lending tails off

By Max Wilkinson, Economics Correspondent, in London

THE UNDERLYING increase of bank lending to the UK private sector fell sharply in January to less than half the average rate of last year, according to official figures published yesterday.

The latest estimate, from the *Bank of England, will be an encouragement* to the Government, because it has been worried for some time by the apparently inexorable rise *in bank lending.*

The increases have put considerable strain on the Government's monetary policy and were one of the reasons behind the large overshoot of the money-supply targets in 1981.

In the last few months, however, there appears to have been a marked deceleration in the rate of new lending to the private sector from £2bn ($3.4bn) in September (seasonally adjusted) to $600m in January. This was the smallest monthly increase since June 1981.

Last year, bank lending was increasing at an average monthly rate of £1.5bn, partly as a result of demand for loans from the personal sector, for housing and other finance, and partly because of the borrowing needs of industry at a time when profits were severely depressed.

The reduction in lending in recent months is thought to reflect *a slower pace of new housing finance* by the banks. However, the main reason is believed to be that industry has reduced its borrowing *as a result of* the sharp cutback of stocks in the last quarter of 1982 and the continued sluggish performance of the economy.

Although the slower pace of lending to industry has helped the Government to control the growth of the money supply, this year it appears to be a further indication of the very depressed state of industry. Most commentators expect that bank lending

Continued on Page 18

Opec expected to follow N. Sea price cut

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

THE Organisation of Petroleum Exporting Countries (Opec) is expected to follow quickly the lead being taken in the North Sea *today* to lower oil prices by between $3 and $3.50 e barrel.

The state-owned British National Oil Corporation (BNOC) will this morning recommend to suppliers and customers that the UK reference price of $33.50 should be reduced by about 10 per cent, back dated to February 1. Norwegian producers, including the state-owned Statoil group, have said they will follow the lead taken by BNOC, the main trader of North Sea crude.

It is felt in the oil industry that *Opec states will meet quickly* to settle a new lower price structure before their tenuous pricing pact collapses in disarray. It is widely expected that the price of Arabian Light crude – Opec's reference oil – will be cut by $4 a barrel to $30. The price of African oil similar in quality to North Sea crude, *is expected to* fall from $35.50 to $31.50.

Dr Humberto Calderon Berti, the Venezuelan Energy Minister, said, however, that while he regarded a North Sea price cut as inevitable be was opposed to an immediate Opec meeting. He wanted to make sure that when members met there was a good chance of a unified agreement.

Reports from Bahrain suggest that some Gulf members of Opec may have already begun to offer discounts: Mr Ibrahim Abdel-Karim, the Bahraini Finance Minister, was quoted in the newspaper Akhbar Al-Khaleej as saying that some Gulf states were being forced to offer discounts because of unofficial price-cutting by a number of the other members of Opec. Iran and Libya are known to have sold oil at discounts.

BNOC's move *today* will be the culmination of a week of growing pressure on Opec. In the U.S. many companies have reduced the price of American oil by $1 a barrel, the second such decrease in a few weeks. The Soviet Union has cut export prices by an undisclosed amount. Industry reports have indicated that Oman – not an Opec member – has started discussing a $4 a barrel price reduction with its members.

In addition, the spot market, which now accounts for a substan*tial proportion of international* traded oil, has continued to record prices well below the official Opec levels. Traders in London reported *last night* that the *spot market* value of Arabian Light oil was about $29.75. The spot price for Forties oil was said to be about $29.

There was very little oil bought and sold in the spot market yesterday, however, as traders awaited BNOC's move.

North Sea exploration bid, Page 8

U.S. may try to ban light turbine sales to Soviets

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR, IN LONDON

THE U.S. Government is considering asking its Western allies for an embargo on the sale to the Soviet Union of lightweight turbines derived from aero engines, according to senior officials in Washington.

Such a request could create sharp divisions in Nato. Last year the UK, France, West Germany and Italy bitterly opposed U.S. attempts to halt West European equipment sales to the controversial Siberia-West Europe gas pipeline.

An embargo would have a profound effect on Rolls-Royce's sales prospects in the Soviet Union for the *RB-211, the new generation of* turbine which can be used to power the movement of gas along a pipeline.

But any *allied agreement* to deprive the Soviet Union of the new generation of lightweight aero-derivative turbines would consolidate the dominance on the Soviet import market of heavy duty machines based on technology from GE of the U.S.

The Soviet Union has consistently bought GE turbines for its expanding gas pipeline network. The only departure from this buying pattern was for the Tyumen-Chelyabinsk pipeline in Western Siberia.

In 1976 the Soviet Union gave a *£100m ($152m) contract* to a consortium made up of Rolls-Royce, the UK units of Copper Industries, and Williams Brothers for 42 gas pumping modules, *powered by Rolls-*Royce Avon engines.

Last November Rolls-Royce and Copper were invited by Machinoimport, the Soviet buying agency, to bid for the sale of equipment needed in a new booster station for the Orenburg-Kharkov-Czechoslovakia pipeline.

But Machinoimport later pointed out that as the pipeline was already *equipped with GE machinery* there was little chance of the two companies winning a contract. Soviet officials indicated, however, that there would be further opportunities to sell lightweight turbines.

The U.S. may eventually decide to seek the addition of aero-derivative turbines to the list of products covered by the Co-ordinating Committee on Export Controls (Cocom), the alliance body used for curbing the sale of goods and technology of strategic importance to the Soviet Union.

Informally the U.S. has already sought to inhibit sales of the RB-211 to the Soviet Union, although the UK Government has given Rolls-Royce permission to seek a market for the turbine in the Soviet Union.

Any new U.S. move would be made in the context of the alliance talks on the strengthening of Cocom. *These talks involve consider*ation of new products to be added to the Cocom list.

U.S. officials have consistently *expressed concern about the secur*ity implications of Western high technology sales to the Soviet energy sector.

Two U.S. banks cut Spanish operations

BY DAVID WHITE IN MADRID

TWO U.S. banks – Wells Fargo and First National Bank of Boston – are cutting back on their operating plans in Spain.

The moves follow notification by the Bank of Spain to five banks which have been awaiting approval to set up full banking branches that their minimum capital requirement is to be doubled to Pta 1.5bn ($12m).

Wells Fargo was one of this group of five and has opted to withdraw its application. First Boston, which has had a representative office for 10 years but which has not applied to open branches, has said that it plans to close down its Madrid operations.

A decree governing conditions for future foreign bank applications is still awaited. A Bank of Spain spokesman said he could not confirm that the basic capital requirement would be set at Pta 2bn as has been widely reported.

The other banks which have applications pending to open Spanish branches are Credit Commercial de France, the recently nationalised French concern, Banca Commerciale Italiana, First Interstate of California and Sumitomo of Japan. Final approval depends on the Spanish cabinet.

The withdrawals, the first since Spain's banking rules we liberalised to allow the entry of foreign banks four year ago, came as no surprise to foreign bankers.

The decision to raise the mini-

Continued on Page 18

Brazil in credit lines shortfall

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

PRESSURE from the International Monetary Fund (*IMF*) *has* failed to persuade international banks to restore money market lines to Brazilian banks, despite the passing of a deadline for them to do so on Wednesday night.

Restoration of the lines to some $7.5bn, or 87 per cent of the total lines available to Brazilian banks at June 30 last year is a key element of the four-part debt rescue package being assembled for Brazil by the international banking community and the IMF but it has turned out to be easily the most difficult.

Bankers Trust, the U.S. bank co-ordinating the money market part of the package, was yesterday counting the total lines restored, but already bankers were estimating that a significant shortfall remained.

Banks in Switzerland, Italy and the Gulf, as well as some U.S. regional banks, have proved the most reluctant to restore their lines to Brazilian banks.

Wednesday's deadline had been set by Brazil and the IMF in an effort to speed up the debt rescue package, which also includes $4.4bn in new loans, $4bn in debt refinancing and the maintenance of short-term credit lines.

These other parts of the package are broadly complete, but the IMF regards all four parts as being interconnected.

It has told leading creditor banks of Brazil in New York that it attaches particular importance to the completion of efforts to restore the money market lines.

Once the result of the latest efforts to restore the lines is known the banks will have further talks with the IMF on how to proceed.

Some bankers said yesterday that they feared it might be necessary to revise the conditions attached to the money market part of the package, but they warned that this would be very time consuming.

Ten days ago, Brazil reported thet its money market lines were stuck at around $5bn. Since the pressure was stepped up by the IMF there has been some noticeable improvement, although this has clearly been insufficient.

Brazilian banks abroad faced withdrawals of deposits after the Mexican banks were nationalised last August and this was one of the principal causes of the liquidity crisis which struck Brazil last autumn. The country's central bank had to use up its liquid reserves to shore up the operations of its banks in New York and other international centres.

Mexico 'burned but not mortally wounded,' Page 5 International bank debt, Page 16; Lombard, Page 17; International capital markets, Page 28

CONTENTS

Europe	2, 3
Companies	19
America	5
Companies	19
Overseas	4
Companies	20
World Trade	6
Britain	8, 12
Companies	21–23
Agriculture	33
Appointments	20
Arts – Reviews	15
– World Guide	15
Business Law	23
Commodities	33
Currencies	36
Editorial comment	16
Eurobonds	28
Euro-options	26
Gold	33
Int. capital markets	28
Letters	17
Lex	18
Lombard	17
Management	14
Market Monitors	29
Men and Matters	16
Mining	22
Money Markets	36
Raw Materials	33
Stock Markets – Bourses	29, 32
– Wall Street	29–32
– London	26, 27, 29
– London indices	32
Technical Reports	13
Weather	18

World banks' debt: of profit and imprudence 16

Politics today: why Gen Rogers is worried 17

Athens: creating closer ties with Soviet Union 2

Mexico: 'badly burned but not mortally wounded' 4

Trade: Chinese set up Soviet barter deal 6

Editorial comment: Volcker; international aid 16

Lex: Berisford; Tomatin; Hoover 18

Lombard: the problem facing the Big Four 17

Management: coping with fluctuating exchange rates 14

International markets: reports, prices... Section III

Prime Minister Nikolai Tikhonov is due in Athens next week, writes **Victor Walker**

Greece and Soviet Union edge closer together

THE SOVIET Prime Minister, Mr Nikolai Tikhonov, arrives in Athens next week on an official visit designed to lay the foundations for closer economic co-operation with Greece's first ever Socialist Government.

A communique issued simultaneously in Moscow and Athens, said Mr Tikhonov, would pay a four-day visit "in the second half of February." Officials here say be will arrive on Monday.

He will be returning a visit to Moscow in October 1979 by Mr Constantine *Karamanlis, the* Greek Prime Minister and now President. That trip was mede possible by the thaw in Greek-Soviet relations following the 1974 restoration of democracy in Greece, when the formerly ontlawed Communist party was legalised. Since then, Mr Karamanlis has sponsored an "opening" to Greece's Communist Balkan neighbours.

While the Communist party had been outlawed even before the Second World War, relations between Athens and Moscow became particularly frosty after the war. Attempts by Communist guerrillas to seize power by force of arms were finally defeated in 1949, after three years of hard fighting. The remnants of the guerrilla bands fled into sanctuary across the northern borders.

Moves by the late Prime Minister, Mr George Papandreou, to restore relations with Moscow during his last administration in 1964 and early 1965, were thrown into reverse following the 1967 military coup.

Called back to power when the junta fell in 1974, Mr Karamanlis carried out a successful thaw which Mr Tikhonov will now be hoping to turn into a rather warmer relationship. Mr Karamanlis had already permitted many of the former guerrillas or members of their families to return to Greece and Mr Andreas Papandreou, the present Prime Minister, removed remaining barriers late last year.

The visit will coincide with a pause—some reports speak of deadlock—in the four-month-old negotiations on the future of U.S. military bases in this country. However, Mr Papandreou is not expected to try to use the visit as a lever to obtain a better deal from Washington.

Soviet delegations bave been in Athens to work out the contents of one or more co-operation agreements to be signed by the two prime ministers. Discussion ranged over possible supplies of natural gas to Greece through an extention of the Bulgarian pipeline, and of electricity through Yugoslavia, as well as Soviet participation in the construction of hydroelectric and thermoelectric power stations.

An economic co-operation agreement was signed but never implemented during Mr Karamanlis's visit to Moscow in 1979, embracing electricity, natural gas and crude oil supplies and joint creation of an alumina unit in Greece.

In the trade sector, Greek-Soviet exchanges have been adversely affected by the phasing out of clearing agreements following Greece's accession to the European Community. Agricultural exports to the Soviet Union, particularly nf *citrus fruit*, have been hurt by Soviet reluctance to purchase for hard currency.

Some form of political co-operation agreement may also be signed while Mr Tikhonov is in Athens, covering a range of issues from world detente and arms reduction to the mntual establishment of consulates in a number of cities.

Such an agreement would be facilitated by some of Mr Papandreou's actions since becoming Prime Minister. He dissociated Greece from sanctions against the Soviet Union over Poland, adopted a hostile stand towards the installation of new-generation missiles in Europe, and lauded the "bold initiative" of the Warsaw Pact in proposing a non-aggression treaty with Nato. He has also pursued his goal of a nuclear-free zone in the Balkans.

Greek Communists and some members of bis own party are dissatisfied, nevertheless, by his failure to take any steps towards removing Greece from the Western alliance and the EEC.

Two subjects certain to be raised—the Greek-Turkish disputes over Aegean issues and the Cyprus question.

The Soviet Union in the past has voiced concern about Mr Papandreou's insistence that Greece bas the right to extend its territorial waters to 12 miles. The Turks have consistently warned that this would be regarded as a *casus belli*. Kremlio interest focuses on the effect a 12-mile limit would have on the right of free passage through the Aegean for Soviet naval units sailing between the Black Sea and the Mediterranean. Soviet fleet anchorages in the Aegean could also be affected.

Mr Andrei Gromyko, the Soviet Foreign Minister, caused a brief flurry in Athens last January when, at a meeting in Moscow with Mr Ilter Turkmen, his Turkish counterpart, he seemed to endorse the Ankara position that Greek-Turkish negotiations on Aegean issues should be held on the basis of "equity," a word implying an equal share-out.

The Greeks oppose this concept, on the grounds that it would *deprive* them of rights deriving from the legal status of the Aegean as settled by international conventions. In the end, it was Athens and not Moscow that issued a "clarification" that the Soviet Union and Turkey bad different understandings of what "equity" meant.

On Cyprus, the Greeks want the removal of Turkish occupation troops from the north of the island before negotiations. Moscow, unwilling to give offence to Ankara, supports the withdrawal of all foreign military forces from the whole island—a move which would bring into question Britain's two bases on Cyprus.

The question is whether the main beneficiary of Mr Tikhonov's visit might not turn out to be the Greek Communist Party. Following its good showing in last year's local government elections, the Moscow-aligned party is hoping to be in a position to demand participation in government after the next general election, due in 1985.

Any positive results from Mr Tikhonov's visit will give the Communists at least some extra respectability and influence.

Reuter

Protests at U.S. bases

ATHENS—More than 1,600 Greeks working at U.S. bases in Greece went on a two-day strike yesterday in protest against President Ronald Reagan's proposals to increase Washington's military aid to Turkey.

The Greek Government claims that the increases will npset the balance of power in the Aegean. In recent years U.S. military aid to Greece and Turkey has kept a 7-to-10 ratio, which Athens regards as vital to the country's security.

The Reagan Administration has just asked Congress to provide $755m military aid to Turkey in the year ending September 1984, together with $175m economic aid. The Greeks say that $280m in military aid has been allocated to them, though they have been told that this sum could be increased if agreement is reached on the bases.

In the current U.S. fiscal year Turkey is receiviog $400m military aid and $300m economic aid from Washington, compared with total aid (all military) of $280m for Greece.

Agencies

Greens lay down conditions for supporting SPD

BY JAMES BUCHAN IN BONN

WEST GERMANY'S Greens grouping of pacifists and ecologists yesterday set down their conditions for supporting a Social Democrat (SPD) minority government should tbis be on the cards after the general elections on March 6.

Herr Otto Schily, a West Berlin lawyer who is one of the Greens' leading candidates, said yesterday that a Green parliamentary party would not vote in a Chancellor "whn wants to continue missile rearmament and present policy over nuclear energy."

If Herr Hans Jochen Vogel, the SDP candidate, wanted to be Chancellor with the help of Green votes in the Bundestag, he would have to provide "crystal clear" statements on two key qnestions: "unconditional renunciation" of Pershing 2 and cruise missiles on West German *soil* as envisaged by Nato from the end of this year should U.S.-Soviet disarmament talks fail; and an immediate rejection of etomic energy.

Agreement here, Herr Schily said, would provide favourable conditions for agreement on a long list of Green demands set forth yesterday as a "six-month" programme for their parliamentary activity. These ranging from measures against acid rain to halting cable television.

The SPD, which the Greens bitterly attacked yesterday *for* stealing their disarmament and environmental ideas, has resolved to put off a final decision on the missiles until this autumn when the outcome of the U.S.-Soviet negotiations looks clearer. Herr Vogel said yesterday that he would "in no way accept conditions" from the Greens but added, in an interview, that it would be senseless to reject a chancellorship voted by a majority of deputies "because there were some Greens among them".

Herr Vogel, who appears to be making major efforts in the election campaign to win votes from the Greens, saw no grounds for a coalition with them but "it could be that the Greens will learn the parliamentary ropes and one day become capable of making politics".

Herr Heiner Geissler, the party general *secretary*, yesterday laid before the public a pot pourri of 30 indicators that the economy would return to real growth in the course of the year.

WEST GERMAN ELECTIONS

6th March

Heavy cuts planned in Dutch education

BY WALTER ELLIS IN AMSTERDAM

MORE THAN 8,000 Dutch teachers face dismissal if Mr Wim Deetman, the Education Minister, goes ahead with plans to cut Fl 225m (£54.8m) from his 1983 departmental budget.

Mr Deetman says in his revised budget, published this week that besides 8,300 job losses, classes in the schools will become larger and there will be less work for the many part-time teachers—most of them women—on whom the present system in part depends.

Teachers' trade unions said in a joint statement that the proposed changes represented "a catastrophe for education." They called on the Government at least to consider cutting the schools workforce through natural wastage. MPs of the main governing party, the Christian Democrats, joined with the Labour and Democrats 66 parties to urge a postponement of next week's planned education debate to allow for the study of possible alternatives.

Teachers in the Netherlands have felt themselves a prime target for government cost-cutting exercises for several years. The post-war baby-boom, now causing serious problems in the Dutch labour market, has already worked itself through the schools system and young graduates are finding it difficult to secure jobs as teachers

As civil servants, teachers have already had their salaries frozen this year at 1982 levels, and there are plans to reduce their number as part of the general policy of cutting down the size of public sector employment.

The latest threat, however, is easily the most serious to the profession. Mr Deetman, in talking of larger classes, clearly means to cut back beyond the level justified by the reduced number of pupils alone. The teachers' unions will be opposed not only to the job losses but to the drop in standards which could result from an increase in the teacher-pupil ratio.

The Dutch Government has slashed most departmental budgets in its effort to bold down the size of the public sector borrowing requirement. This year, the budget deficit will he at least 11.9 per cent of national income and could end up considerably higher if the economic recession continues to deepen. By 1986, eccording to the 1982 government accord, the deficit should have fallen to only 7.4 per cent.

Netherlands likely to fall short of aid target

BY OUR AMSTERDAM CORRESPONDENT

DUTCH MPs of all parties are concerned that the Netherlands may be about to lose its coveted title—shared with Sweden—as the West's most generous donor of aid to hte Third World.

Under a new definition of the country's wealth, the Dutch this year are set to give less than their standard 1.5 per cent of net national income in development aid. An additional Fl 280m (£68.3m) would be required, on top of the Fli 2.5bn (£609m) already earmarked, if the 1.5 per cent target was to be met.

The centre-right Government of Mr Ruud Lubbers feels, however, that such an increase cannot be justified in the present climate of economic austerity.

The Christian Democrat and Liberal parties, which make up the Government, have called on the Cabinet to raise the aid budget by a compromise Fl 15m (£28m). They have also urged an annual increase of at least Fl 100m (£24.4m) from 1985 to 1987 so that the budget can once again meet its 1.5 per cent target.

Under theterms of the 1982 government accord between the Christian Democrats and Liberals, a multi-year development aid programme is to be prepared this year to use np unspent funds from previous aid budgets. This, however, while it may enable 1983 actual spending to increase, would not affect current costings.

Soviet productivity and output up in January

BY DAVID BUCHAN

TWO KEY indicators of Soviet economic performance showed a marked improvement last month, eccording to official statistics published this week which showed increases in industrial output and productivity of 6.3 per cent and 5.5 per cent respectively above levels in January, 1981.

Although only one month's figures, they suggest that the efficiency and anti-corruption campaign of Mr Yuri Andropov, the Soviet leader, which was echoed loudly in the Soviet Press, may be yielding results already. Industrial output rose only 2.8 per cent last year ebove the 1981 level, while productivity stagnated.

Claiming that the plan for last month bad been fulfilled by 101 per cent, the Central Statistics Board said steel production rose to 13m tonnes from 12.4m tonnes in the same period a year eorlier, oil production increased to 52.7m tonnes from 51.5m tonnes, and gas extraction — a boom sector — rose to 46.2bn cubic metres

Mr Andropov has maintained the strong emphasis laid on agriculture by the late President Leonid Breznhev. Last month's statistics show an increase in farm-related mochinery such as tractors and combine harvesters, but shortcomings in other kinds of agricultural machinery.

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French union will not call strike over Citroen sackings

BY DAVID HOUSEGO IN PARIS

THE FRENCH Communist-led CGT union decided yesterday against calling for strike action after the management of Citroen sacked four of its representatives at the Aulnay plant outside Paris.

The largely immigrant workforce which mans the production line reported for work normally yesterday morning. But it is far from clear that further disruption can be avoided.

The Citroen decision effectively removes the main CGT leaders at the Aulnay plant, which has been the scene of intermittent violence since last year. Also sacked were eight other CGT members accused of taking part in the incident on February 2 that resulted in some 25 people being injured.

In making such a low-key response to what the CGT would normally have regarded as an intolerable decision by the Citroen management, the union is clearly being influenced by the Communist party's desire to avoid a serious industrial conflict on the eve of the municipal elections.

The CGT was looking yesterday for a face-saving compromise with Citroen in the shape of an agreement to negotiate *over its members' future and* over violence at the car plant.

Outside the factory gates, M Akka Ghazzi, the most popular of the CGT leaders who was sacked, appealed for calm and told several hundred immigrant workers that Citroen must he given a chance to negotiate. But he added: "I give you my word that there will be no sackings.

In more strident lone, local leaders of the rival pro-Socialist CFDT union denounced the sackings as "arbitrary" and called for their cancellation.

As in the case of other recent serious disputes in the motor industry in the Paris area, the union leadership does not have complete control over the workforce. The four CGT representatives who were sacked were all Moroccan.

The Socialist Party took the unusual step of intervening itself in the dispute with a communique that censured both management and the CGT. But it left no doubt that it felt the management's decision for tough disciplinary measures risked enflaming the situation.

The sacking of union representatives is subject to judicial procedures involving the works council and the Ministry of Labour.

● French unemployment fell for the fourth consecutive month in January. On uncorrected figures it dropped by 0.1 per cent to 2.13m. This is only 4.7 per cent above January 1982. The Government is making the stabilisation of the unemployment figures one of its major themes in the municipal election campaign.

Yugoslavs could adopt tougher economic line

BY ALEKSANDAR LEBL IN BELGRADE

FURTHER CREDIT and consumption curbs and faster depreciation of the dinar may be needed if Yugoslavia's disappointing export performance so far this year does not improve in the next couple of months, the country's top Communist Party official warned yesterday.

Mr Mitja Ribicic, president of the ruling League of Communists, told a news conference in Belgrade that formal rescheduling of Yugoslavia's foreign debts could not be ruled out in the future. But for the present, the government was banking on the provision of new loans by Western governments and central banks

The Yugoslav party leader announced that Mr Nikolai Tikhonov, the Soviet prime minister, will visit Belgrade in early March. He will be pressed for improvement in Soviet economic cooperation with Yugoslavia.

Yngoslavia is running a trade surplus with Comecon of the equivalent of nearly $1bn a year, and it now plans to reduce this surplus by importing more Soviet raw materials for hard-pressed Yugoslav industry.

M Cheysson . . . talks with Mr Gromyko

Cheysson adopts firm N-stance

MOSCOW—MClaude Cheysson, French External Relations Minister, told the Soviet Union yesterday that France would not agree to its nuclear forces being counied in arms control negotiations between Moscow and Washington.

Speaking at a lunch given by Mr Andrei Gromyko, his Soviet counterpart, be also reminded bis bost of the rights and aspirations of the Afghan and Polish peoples.

He said France supported Soviet-U.S. negotiations in Geneva on limiting medium-range nuclear arsenals. But it could not accept that its security be imperilled or become dependent on others, even if they were allies.

M Cheysson made what appeared to be an oblique reference to a Warsaw Pact offer in January of a non-aggression treaty with Nato, saying that the ideas of non-aggression and non-use of force were often mentioned.

This was a good thing in itself but "the validity of obligations which have already been undertaken should not thus be diminished, at the risk of casting doubt on such declarations." he said.

Where such principles had been violated in Europe, or in Asia, said M Cheysson, there should be a solution which protected the legitimate interests and security of all parties involved, and the respect of the peoples concerned to independence and self-determination.

M Cheysson and Mr Gromyko yesterday also signed a new 10-year agreement on scientific and technical co-operation

Agencies.

Consumer call for EEC farm freeze

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Community's consumer organisations yesterday renewed their call for a freeze in EEC guaranteed farm prices. They urged the Community to explore a wider system of regional and social aids for economically depressed farmers in preference to the traditional across-the-board *price rises.*

This, they say, would cost the EEC less, while benefiting the consumer. It would protect farmers' incomes while at the same time controlling the growth in surplus production.

"It's lunacy to keep putting consumer to pay for exports of overproduction," Mr Tony Venables, director of the Brussels-based European Bureau of Consumers' Unions (BEUC), said yesterday.

Speaking at a news conference, Mr Venables said that the European Commission's recommended 5.5 per cent "norm" for 1983-84 price rises was far too high.

Given the already existing *scope for devaluations in the* EEC's agri-monetary system, this could easily rise to meet the 7 per cent demand from the Community's farm organisations. "The only way the Commission can prevent this further increase is to revise its proposals downwards," the consumers say.

The BEUC welcomes "as a step in the right direction" the Commission's proposals to impose penalties on such surplus products as milk and cereals by awarding lower price rises in relation to past overproduction. This would reduce the 5.5 per cent norm to an average price increase of 4.4 per cent for the coming year, according to the Commission.

However, said the BEUC, the fact that price penalties were being advocated at the same time as price increases were still being proposed illustrated the dilemma of pursuing contradictory objectives through the single instrument of EEC farm prices.

The result was that prices were set too high to balance supply and demand to the detriment of the consumer, while small farms not responsible for the surpluses were penalised along with the big, efficient producers, the BEUC said.

What was needed was a long-term price freeze to balance supply and demand, with the possibility, where necessary, of direct finance from the EEC budget to help farmers. Instead of continued higher food prices and the related cost to the tax-payers of subsidising greater exports of surpluses, subsidies would diminish over time, as farmers retired.

Tough provisional steel quotas announced

BY OUR BRUSSELS STAFF

THE EUROPEAN Commission has adopted tough provisional steel production quotas for the second quarter of this year, only slightly ehanged from the previous quarter and in many instances well down on 1982 output.

Warning that no immediate upturn in European steel consumption is in sight, the Commission fixed a provisional global production limit for the traditionally more active second quarter at around 14m tonnes for the seven main products which attract compulsory quotas.

This is less than 2 per cent up on the first quarter and for some products still 25 and 37 per cent lower than 1982 production.

Under the "early-warning" system adopted at the beginning of this year as part of the EEC's two-year-old "crisis" regime for the depressed steel industry, the Commission has undertaken to provide provisional quotas some six weeks ahead of each quarter.

While the provisional limits could be revised upwards to take account of seasonal adjustments, officials warned yesterday that there were no indications in either the steel industry or the overall economic situation that any serious revision is likely to take place.

SECOND QUARTER QUOTAS
(thousands of tonnes)

Category	1982 Quota	1982 Actual output	1983 Provisional quota
Ia — hot rolled coils	5,584	5,650	3,534
Ib — thin plates and sheets	3,833	3,819	2,871
Ic — galvanised sheets	1,174	1,073	790
Id — other coated plate	713	619	597
IV — wire rod	—	—	2,349
V — reinforcing bars	1,929	1,524	1,670
VI — other merchant bars	2,626	2,255	2,224

Organiser of Solidarity radio sent to prison

BY DAVID BUCHAN

THE MAN who ran the clandestine Radio Solidarity during martial law in Poland, Mr Zbigniew Romaszewski, was yesterday sentenced to four and a half years in prison.

His wife, Zofia, an announcer on the secret network, was given three years and seven other people sentences ranging from seven months to two and a half years by a Warsaw military court.

Using relatively cheap short-wave transmitters placed on high-rise buildings, Radio Solidarity started broadcasting last April, giving encouragement to opposition to martial law and information about demonstrations and arrests.

Its regular transmissions ceased last August, when Mr Romaszewski, who claimed credit for establishing the network, was arrested. But there was a very brief broadcast in Warsaw last month

Mr Romaszewski is the third prominent underground organiser to be caught and jailed.

Mr Romaszewski helped establish the Workers Defence Committee (KOR) in the 1970s. Several other KOR members, including Mr Jacek Kuron, who were interned under martial law are still being held while charges of treason and anti-socialist activities are investigated.

Kohl rejects Swedish call for nuclear-free zone

BONN.—West Germany has formally rejected a proposal made by Sweden last year for a ban on short-range nuclear weapons in Central Europe, diplomats said yesterday.

Mr Sven Backlund, the Swedish ambassador in Bonn, was handed a note explaining Chancellor Helmut Kohl's reasons for rejecting the plan for a 125 mile exclusion zone along the frontier between Warsaw Pact and Nato states.

The note said that, in view of Warsaw Pact superiority in conventional forces, such a zone could increase the danger of a conflict in Central Europe. The plan also overlooked the fact that most Soviet nuclear weapons were stationed outside the proposed zone but aimed at targets within it, diplomats said.

Herr Kohl also replied yesterday to a letter from President Erich Honecker, the East German leader, in support of the Swedish suggestion.

No details were given of Herr Kohl's answer, handed to officials in East Berlin, but the Chancellor had already made clear he has little sympathy for the idea, first suggested by Sweden late last year.

Herr Hans Jochen Vogel, Herr Kohl's rival for the chancellorship in the March 6 general election, said last week he would consider the plan seriously if he were elected to office.

Reuter

Soviet plan to break deadlock on troop cuts

VIENNA — The Soviet Union yesterday introduced a three-point proposal for breaking the deadlock at the 10-year-old talks here on reducing Nato and *Warsaw Pact troops* in *Europe.*

The proposal called for troop reductions by the United States and the Soviet Union "on the basis of mutual example," equalising troop strength at 900,000 on each side and a mutual freeze of all involved forces at that level.

Mr Valerian V. Mihailov, Soviet Ambassador, presented the ideas at a plenary session of the talks, and a statement from the Soviet embassy called the proposals "a fundamentally new and inherently simple approach toward achieving an accord."

"The Western side will give the proposals due consideration," said the U.S. spokesman, Mr John Karch.

In the 10-year history of the talks, the two sides have never been able to agree on how many troops are stationed in the area under discussion, which includes Belgium, the Netherlands, Luxembourg, West Germany, East Germany, Poland and Czechoslovakia.

The West claims there are 960,000 Warsaw Pact troops and 700,000 Nato troops in the region. The eastern side claims it has 150,000 less men than the west says it has.

The numbers issue and the question of how to verify any future reductions have been the main sticking points. Each side regularly accuses the other of stalling the negotiations.

Last July, the 12 Nato countries represented at the Vienna talks tabled a draft treaty which proposed reductions in four phases to bring both sides' ground forces to 700,000 within seven years—and air forces to 200,000 in the same period.

Reuter adds from Geneva: The Soviet Union, long opposed to outside inspectors checking its compliance with arms agreements, yesterday proposed a system of on-site inspections for a future treaty banning all nuclear testing.

Mr Viktor Issraelyan, Soviet Ambassador, told the 40-nation committee on disarmament that states signing the treaty could demand on-site inspections if they suspected violations of the ban and complain to the United Nations security council if their requests were not granted.

Wind blows strongly against Reagan peace plan

BY JIM MUIR IN ALGIERS

THEY HAVE come to Algiers from all corners of the Arab world and far beyond. There are presperous, cigar-smokiog businessmen from Kuwait, ascetic-looking young men in Arab beadgear, suave professors from American universities—and of course the political and guerrilla leaders who are at the centre of the show.

The 350-odd members of the Palestine National Council take up only one section of the circular conference hall at the Club des Pio centre on the coast some 30 miles outside Algiers.

Other areas are taken up by members of the 120 or so Arab and foreign delegallons come to express their support.

Outside the complex, banners proclaim militant slogans: "Opeo the Arab borders to guerrilla action." Inside the auditorium, the mood is equally combatant.

The apeaker, Khaled al-Fahoum, is interrupted by loud applause when he says: "We declare our clear rejection of all deceptive American illusions of peace . . ." before he has a chance to qualify it by adding ". . . . based on Camp David." Any reference to last year's war in Lebanon brings an automatic response.

But everybody in Algiers knows that Palestine is not goiog to be liberated by Palestinian guerrillas alone, or by droves of foreign sympathisers

This PNC aession — tbe 16th — is historic not because the Palestine Liberation Organisation can take momentous decisions but because Palestinian fortunes have never been lower nor its options more restricted.

"Morale is, of course, low," said one council member who had come from the U.S. "But there is still this strong feeling that we are Palestinians, that we bave this problem, and that we must keep tryiog to solve it."

At the other end of the spectrum, Dr George Habash, leader of the Popular Front for the Liberation of Palestine, says the same thing in different words: "The Americans are trying to exploit Beirut to make us despair, saying: 'What can you do now? Give up. Accept the Reagan plan.' But the Palestinians will not give up."

If democracy can be said to exist anywhere in the Arab world, it must be here. The PNC is not elected, but it spans an impressive political and social breadth.

There are the usual manipulations and pressures associated with most democratic processes, and Mr Yassir Arafat, PLO chairman, is well-known for getting most of what he wants most of tbe time. But he is not ao Arab ruler, and in the end he sometimes has to trim his sails to the wind.

This may be one of those occasions. The wind here seems to be blowing against the Reagan plan, not just because of its texlual content, but also because U.S. credibility is so low.

"The Reagan plan will take coocessions and give no results," said Dr Habash.

Mr Farouq Qaddoumi, the PLO's political department head and a founder-member of Mr Arafat's Fatah movement, denounces the Reagan scheme as worse than Camp David. Going along with it would mean a decision to lay the PLO, as such, aside, he says.

India finds new offshore field

BY K. K. SHARMA IN NEW DELHI

TWO DAYS after an announcement of the discovery of a major oew commercial offshore oilfield in India's western continental sbelf, the Indian Ministry of Petroleum announced yesterday that another rich oilfield had been established in the south-east shelf.

This is in the Krishna-Godavari offshore basin where it has now been confirmed that the first two wells drilled are yielding oil at the rate of 865 and 580 barrels a day.

The flow shows that the oilfield is potentially commercial. Its importance lies in the fact that, for the first time, oil bas been found in India's continental shelf in an area that is not part of the western ahelf where all the existing four working offshore fields are located.

This means that there is, as oil experts suspected, hydrocarbons io other parts of India's long coastline and exploration efforts are paying off. The aim is to make the country self-sufficient in oil as sooo as possible.

There bas beeo little response from foreign oil companies which were offered exploration rigbts and the Government hopes the new finds will attract more of them to India.

● Prime Minister Indira Gandhi has appointed a new five-member economic advisory council under the chairmanship of Professor Sukhamdy Chakravarty of the Delhi School of Ecooomics to advise her on issues of economic policy and development.

Mrs Gandhi feels she badly needs independent advice.

Devaluation claim in Australia

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE FREE-FLOWING insults that are a hallmark of Australian politics continued yesterday with a claim by Mr Andrew Peacock, the Minister for Industry and Commerce, that one of the first acts of an incoming Labor Government could well be to devalue the Australian dollar by at least 15 per cent.

Mr Peacock, a prominent member of the Liberal-National Party Government, accused Labor of being "economically illiterate" and "patently dishonest."

The boomerang soon came back, with Mr Paul Keating, the opposition spokesman on economic affairs, sayiog Mr Peacock's statement was "disgraceful, grossly irresponsible, negligent of the national interest, and wrong."

Mr Peacock claimed that Labor's March 5 election promises, outlined by the new Labor leader, Mr Bob Hawke, in Sydney on Wednesday, would produce huge budget deficits, sharply higher inflation, and a flight of capital out of Australia.

He also referred to earlier suggestions by the former Labor leader, Mr Bill Hayden, that the Australian dollar was overvalued, and claimed that a large initial devaluation by a Hawke-led government would be followed by sharp rises in interest rates to attract overseas capital.

A vote for Labor, said Mr Peacock, would mean Australians were mortgaging "their children's future by choosing a party which would destroy the dollar and Australia'a future with it."

Mr Keating was furious: He said Mr Hayden bad made it clear in November that devaluatioo was not required, and challenged the prime minister, Mr Malcolm Fraser, and the Federal Treasurer, Mr John Howard, to say whether they supported Mr Peacock'a views.

"Any minister who engages in talking down the Australian exchange rate with assertions based on naked political malice should immediately have bis commission as a minister withdrawn," said Mr Keating.

South Africa to reduce import surcharge

By J. D. F. Jones in Johannesburg

SOUTH AFRICA'S import surcharge is to be reduced from 7.5 per cent to 5 per cent, Mr Owen Horwood, the Finance Minister, announced in Parliament yesterday. But the General Sales Tax, at present 6 per cent, will not be changed for the lime being.

Mr Horwood was proposing his Part Appropriation Bill, which sometimes acts as a mini-budget in advance of the full budget, which will be presented on March 30.

The cut in the import surcharge — which was reduced from 10 per cent to 7½ per cent late last year—is in line with the South African authorities' concern to satisfy the wishes of the International Monetary Fund (IMF), which granted the republic a controversial SDR 1bn (£710m) loan last November.

An IMF team is expected in Johannesburg next week and will be shown how the South African balance of payments has made a dramatic recovery in the past six months, thanks mainly to a strong rise in the gold price.

This recovery and the benefit to the exchequer account arising directly out of a gold price of more than $500 an ounce, are beginning to encourage bopes here that South Africa will emerge faster out of the recession than had been expected.

Referring to the abolition of the dual exchange rate ten days ago, Mr Horwood sald the financial markets had adjusted more rapidly and smoothly than the authoritles had expected.

He sald that the unitary Rand had by yesterday morning appreciated by 3 per cent since its inltial 5.2 per cent fall immediately after the announcement of the move.

Our Foreign Staff adds: A South African military spokesman yesterday denied a U.S. newspaper report that Pretoria and Angola had begun a cease-fire in the war over Namibia (South-West Africa) and were aboul to sign an agreement on mutual withdrawal of South African, Cuban and guerrilla forces.

Israeli soldiers convicted of beating up students

BY DAVID LENNON IN TEL AVIV

FOUR ISRAELI soldiers have been convicted of brutally maltreating Palestinian stndents on the West Bank last year, and their court martial also accused their senior officers of issuing illegal orders.

At the end of a three-month trial which uncovered some repressiva methods used by the Israeli occupation forces on the West Bank, three other soldiers were acquitted because it had oot been proved they had also beaten up the students.

The events occurred last March and April during violent aoti-Israel demonstrations on the West Bank. The court held that the soldiers cannot be expected to use "silk gloves" against rioters, but ruled that brutality and indiscriminate harassment are illegal.

The military judges criticised the former military governor of Hebron, where the assault took place, and another senior officer for allegedly ordering soldiers to herd members of the Dehayshe refugee camp into classrooms, beat them up and smash their wrist watches.

Three of tbe four convicted soldiers were given prison sentences of between two and six months, the fourth will be sentenced later. The Israeli military pollce are considering bringing charges against the senior officers.

Two Israeli soldiers were killed and another two injured as they drove through a village near Belrut on Wednesday afternoon. The attack was carried out by two gunmen, according to military officials.

Alain Cass meets Dr Mahathir Mohamed

Britain's patient diplomacy soothes Malaysia's leader

NEARLY TWO years ago, Dr Mahathir Mohamed, Malaysia's Prime Minister, effectively boycotted Britisb goods, describing Britain's business community and its government as "patronising, colonialist and insensitive." There were many who agreed with him, Britisb aod Malaysian alike.

He now seems to bave come round to a more mellow view. Patient diplomacy by Britain, a paradoxical increase in British investment in Malaysia in 1982 from No. 6 to No. 2 in the league table, soothing words from the British Government and, most recently, the decision to reinstate aid to foreign students—Malaysia has 20,000 in Britain—appear to have done the trick.

Dr Mahathir is due to visit Britain unofficially next month and has been persuaded to call upon Mrs Margaret Thatcher, the Britisb Prime Minister, to bury the batchet.

But his change of heart is not just a response to a repentant Britain. Dr Mahathir has also come to realise that turning his back on the West and "looking East" is not going to solve Malaysia'a problems and enable the country to keep up with the breakneck growth rates of the region.

He realises that unless he takes a more balanced view, he risks alienating the West.

The realisation that Japan and South Korea may not be the right model for Malaysia's very different multi-racial society—where Malays, Chinese and Indians co-exist uneasily—bas also played a part in his change of mood. While Dr Mahathir has moved to a more moderate position on his relations with East and West, he bas — understandably — presented this change as a victory.

"Twenty-five years ago, where were the Malays" he asks. "Where were people like me? In the wilderness. Well, today we've come to town. We're 'civilised'. We are not living in trees any more." He throws back his head and explodes with laughter, relishing the gentle taunt.

He goes on: "The West has become very insensitive and with the insensltive you have to be rough if you're going to get anything at all. I'm very brash and abrasive but that'a because I've noticed that wben people are nice and pollte they never get anywhere."

Since taking office ln 1981 he bas publicly dismissed the Commonwealth as a talkiog shop, attacked corruption and forced government employees to clock in (ringing ministers at 8 am to see if they are in their offices). As the world's largest tin producer, Malaysia has also unsuccessfully tried to form a cartel and has almost certainly tried to drive up prices.

Dr Mahathir Mohamed

His disapproval of previous Malaysian administrations is barely concealed. All be says ia "I come from different stock."

They in turn, and in particular his predecessor, Hussein Onn, regard him as a renegade, upsetting the delicate balance both between the Malays, who make up 40 per cent of the population, and the Cbinese, as well as the country's relationship with the outside world.

"He's brilliant, he's got guts and he believes in what he is doing. But he'a too sensitive and be shoots from the hip too ofteo," says ooe colleague.

"He wants to make his mark in history. I admire him but I don't always agree with hlm. He could have achieved the same results with Britain without being so rough," says another.

Dr Mahathir believes that is precisely that kind of attitude which has got the Malays nowhere in the past. "Shooting from the hip," he says, "is not good for hitting targets. But sometimes it serves a useful purpose."

Dr Mahatbir talks openly of the problem of corruption. "If we make comparisons with the more corrupt countries I would say that Malaysia is not very corrupt," he says. "But it is sufficiently corrupt to make things move inefficiently and retard progress. I can't wipe it oul but there is a lot I can do even if ll hurts people (such as Malaysia's aristocracy). I will do it and have done lt."

He was horn in the rural state of Kedah into a conservative and devoul Moslem household. His nationalism was forged by an upbringing surrounded by the largely British-owned plantations, where the colonials' superior life-style drove home the Malays' profound sense of inferiority. Dr Mahathir was also a victim of the Japanese occupation during the Second World War.

In questioning Dr Mahalhir's "look East" policy, his colleagues have therefore wondered whether be may be substituting one form of colonialism for another.

Dr Mahathir admits there is such a risk and he is also aware of the danger from Japanese inveslors' often sharp entrepreneurial style in Malaysla. "There is danger in everything," he says. "But we know what we want from the Japanese, the Koreans and the West."

Dr Mahathir is often portrayed as uncompromising, but he can also be flexible, acting skilfully out of expediency rather than conviction.

His chief domestic problem is the implementation of the country's New Economic Policy (NEP), introduced shortly after the bloody racial riots of 1969. It alms to eradicate poverty and transfer 30 per cent of the country's corporate wealth to the politically dominant, but economically underprivileged, Malays by 1990.

Dr Mahathir is also caught between the growing force of Moslem fundamentalism and the need to preserve confidence among the Chinese communlty. He has made cosmetic concessions to the Islamic zealots, such as requiring the teaching of Islamic civilisation in universities. But he freely admits that "ln an inter-dependent world" he cannot go too far.

Hia personal style mirrors that fact that he has to face both ways at once to keep Malaysia intact. He sometimea rejects advice—even as in the case of his pet project, the Malaysla car, in the face of overwhelming objections from the economic panel he appointed himself.

His genuine drive to rid Malaysia of corruption contrasts oddly with a tendency to surround bimself with cronles, who will often talk him into acting impulsively.

Dr Mahathir says that he is not authoritarian, merely "a strict disciplinarian." In the same breath, he will admit: "I accept weaknesses. I can even suffer fools. I know there have to be some of these people around."

At home, he relaxes by pottering around the garden or indulging his flare for making homemade furniture. He is a compulsive reader and always carries a cassette of Japanese or French language tapes which he listens to in traffic jams.

The overwhelming dominance of his party, UMNO, probably means that Dr Mahalhir can stay on as Prime Minister for as long as be likes. But he is 58 and, some fear, that if be keeps up the pace be may burn himself out.

Volcker says IMF funds rise 'essential' to U.S.

BY PAUL TAYLOR IN NEW YORK

MR PAUL VOLCKER, the U.S. Federal Reserve Board chairmsn, told Congress yesterday that the proposed increase in the U.S. contribution to the International Monetary Fund was essential to the health of the U.S. economy and financial institutions.

Mr Volcker was giving evidence for the second dsy running to the Senate hsnking committee which, in common with other Congressional committees, is pressing for tighter controls over U.S. bank lending overseas as a condition for approving higher IMF quotas.

The Fed chairman told the committee that "the international financial system is not separable from our domestic hanking snd credit system."

He repeated earlier comments that "the same institutions are involved in both markets. A shot to one would be a shot to the other."

Mr Volcker, echoing views expressed by the Reagan Administration and senior commercial bankers, warned that the failure to deal successfully with the immediate international pressures "would only jeopardise prospects for our recovery, for our jobs, for our export markets snd for our financial markets."

Mr Volcker's comments reflect a growing awareness that Congress is determined to extract tougher rules on U.S. hank lending overseas as the price for what is widely viewed on Capitol Hill as "a bail ont" of the hanks' troubled overseas loans to countries which have run into liquidity problems.

This pressure also reflects concern hy some Congressmen that the hanks have been too willing to lend to developing countries in the past and are now deliberately "holding up" U.S. domestic interest rates to offset losses in their foreign loan portfolios.

Bowing to this pressure, Mr Volcker made it clear in earlier testimony to the Senate banking committee that the Fed is considering "various options" to tighten controls over overseas lending.

Mr Vockler said that these options are "under most intensive consideration" and told his questioners that the Fed intends to hring specific proposals forwsrd before Congress if asked to vote on the IMF quota increase.

Some members of Congress have already proposed new rules on U.S. bank lending overseas. One proposal drawn up hy Senator John Heinz and Senator William Proxmire seeks rather than to impose congressional limits on U.S. hank exposure to leave it to the Fed to set the restrictions.

Such s proposal is likely to meet with s better response from the Administration, banking regulatory authorities and bankers themselves than one which would allow Congress to impose its own limits.

Under the Heinz-Proxmire plan, the Fed would specify how much hanks could lend as a percentage of their total capital to individusl foreign countries. The percentage could he varied according to a Fed assessment of the ability of particular countries to repay and service their dehts.

Reagan confirms his foreign policy stance

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan and his Administration have made it clear again this week that they are sticking to a tough foreign policy, unswayed by murmurings of domestic criticism.

In the past two days the Administration has:

- Confirmed that it sent the aircraft carrier *Nimitz* back to the Gulf of Sirte to assert its right to exercise in international waters—a repetition of the move that led to the shooting down of two Libyan fighters in August 1981;
- Quashed any talk of negotiations with the rebels in El Salvador, increasingly favoured in Congress; snd
- Declined to withdraw the nomination of the controversial right-winger Mr Kenneth Adelman as the new arms control director, despite mounting opposition in the Senate.

On Central America, Mr George Shultz, the Secretary of State, has publicly identified himself, for the first time, with the hardline policies of his predecessor, Mr Alexander Haig. He told the House foreign affairs committee that the war in El Salvador was fuelled hy "arms that flow from the Soviet Union" to Cuba, Nicaragua and the leftist insurgents, and accused the rebels of being responsible for violence in the country.

Told hy a Congressman that his policy sonnded pretty similar to that of Mr Haig, Mr Shultz replied: "I inherited from him some very good thinking and some very good policies." This was not surprising as both men served the same President, he said.

President Reagan used his Wednesday night news conference to renew allegations that Colonel Muammer Gadaffi, the Libyan lesder, is trying to destahilise neighbouring countries, and to assert the right of U.S. forces to defend themselves if fired upon "wherever we have put them."

He said be would not use U.S. troops to prevent a Lihyan invasion of Sudan, hut repeated his willingness to send more U.S. marines to join the multinational force in Lebanon if necessary.

Mr Reagan said that it would be a "terrible setback to the cause of peace and disarmament" if a new West German Government took office after the March 6 elections, and declined to deploy American Pershing 2 missiles on its territory. He quickly added a rider that he was not trying to interfere in the elections, but on a number of other issues he floundered embarrassingly.

His age seems to have been increasingly showing in recent television performances — he has just celebraled his 72nd hitbday—and despite careful rehearsal, he appears to be finding it more and more difficult to cope with complicated or long snswers to questions that he knows will he asked.

Mr Reagan was firm in his support for Mr Adelman, the 36-year-old deputy U.S. Ambassador to the United Nations, who is hsving great difficulty securing Senate confirmation ss arms control director on the grounds both of his inexperience and what Senators view as a cynical approsch to srms control.

Describing Mr Adelman as "well educated, experienced and very intelligent," Mr Reagan made it clear he would try to outflank the Senate foreign relations committee snd secure Mr Adelman's confirmation in a floor vote.

On the Geneva negotiations with the Soviet Union on intermediate range nuclear missiles in Europe, Mr Resgsn sgain stuck to his "zero option" proposal, under which the weapons would be hanned hy hoth sides. The Soviet Union had still not come up with a reasonahle proposal and "the hall is still in their court," he said.

Canada's real GNP down 5% in 1982

OTTAWA – Mr Marc Lalonde, Canada's Finance Minister, said yesterday that real gross national product fell almost 5 per cent in 1982.

In an economic statement to the House of Commons, Mr Lalonde said the recovery did not start to occur in late 1982 as he had hoped, and that led to a revision of his October prediction that real GNP would decline 4.4 per cent in 1982.

He said the consumer price index has run at an average annual rate of 7.2 per cent since last June, the trend appeared to be continuing downwards and the index should reach 6 per cent in 1983.

In December, the 12-month increase in the index was 9.3 per cent compared with a 13 per cent peak in the summer of 1981.

- M Rene Levesque, the Premier of Quebec, has threatened to call an election if the province's 70,000 striking teachers continue to defy harsh back-to-work legislation approved by the Quebec National Assembly late on Wednesday night. Leaders of the three-week old strike have rejected the Government's offer to suspend the new law after a return to work, and to put the teachers grievances – mainly and increased *workload* and threatened layoffs – before s special commission of the assembly. Agencies

Hugh O'Shaughnessy, recently in Mexico City, on a last domino off balance

Mexico: 'Badly burned but not mortally wounded'

AFTER BANKRUPTCY, revolution. Such bas been the analysis of Mexico recently by some of the more nervous observers of the country. Sooner or later, it is argued, the strains imposed by Mexico's economic crisis will csuse a breakdown in law and order. Volatile Mexico, whose revolution claimed a million lives 70 years ago, is—so this argument runs—again ripe for chaos.

Some U.S. snalysts have heaped geo-political argument on top of historical parallel. They conteod that Soviet and Cuban success in fomenting unrest in South America is about to be repeated in a strategically important country, on President Reagan's borders. Washington's enemies are seeking to widen and consolidate the bridgeheads they have carved out for themselves in Nicaragua snd El Salvador. Some fear that Mexico—the last and the most precious domino—is now in real danger of falling to the forces of international Marxism and Leninism.

Yet the fact remains that informed opinion in Mexico still rules out such a dramatic turn of events. There is certainly no denying the seriousness of the crisis fscing the ten week old Government of President Miguel de la Madrid who *acceded* to a *six year* term on December 1 and inherited a state of financial chaos from his predecessor President Jose Lopez Portillo.

This year, realistic forecasts point to a 3 per cent fall in the gross national product as Mexico grapples with the task of servicing a foreign debt of $83bn as the price of oil, its main export, crumbles.

The retrenchment sought by the International Monetary Fund—in exchange for a three-yesr $4bn package—means a sharp cut in public sector spending, so that the budget deficit which represented 16 per cent of gross domestic product last year is to he reduced to 8.5 per cent this year, and only 3.5 per cent in 1985.

Despite Government claims in the hudget that 700,000 new jobs would be created this year, the reality is the opposite: there sre likely to he hig job losses as private companies go out of business, and state enterprises drastically slim down. It may well be that by the end of this year, not much more than half the Mexican lahour force will be in full time employment.

This means that Mexico's critical unemployment problem—at present only three Mexicaos out of five have full time johs—will certainly get worse. The flight from the land to the cities will also accelerate as the peasants realise that President de la Msdrid *now* has *almost* no money to spend on roads, irrigation, and other socisl projects. Successive governments have used these to hribe them to stsy swsy from Mexcio's already overcrowded cities.

A clash between police and peasants last year

As 1.3m pesssnts are currently leaving the country for the towns every year and as the populstion of Mexico City in the year 2000 is alresdy projected at 32m people, the severity of this crisis is obvious. The principal hope for the unemployed must now be emigration to the United States where the prospect of remitting bome 150 devalued pesos for every dollar earned makes employment there very attractive indeed.

This all adds up to the seventh crisis which Mexico hss faced since the slump of the 1930s. But most Mexicans believe that the country's politicsl snd social structures are strong enough to take the strain. Mexico is not Bolivia or Argentina where instability is the norm. Mexico is a country which has enjoyed political stability under the ssme political party for six decades. It has a presidential system of government which gives the head of state the powers of s monarch, indeed of an autocrst, during his six-year term.

The President chooses his court from the PRI—the ruling psrty— (the initials stand for party of the institutionalised revolution) a grouping whose catchment srea is wide enough to include left wingers and conservatives, idealists snd pragmatists, and the honest and the dishonest. President de la Madrid has chosen his advisers from smong a team of apparently honest pragmatists.

The unique nature of the PRI mesns that its "esrly warning system" reaches from the lushest restaurants in Mexico City to the last hs:.let of Indigenes tost in the wilds of the Sierra Madre. The party controls the main trades unions and peasant organisations, women's groups, youth groups, and intellectual groups. It patronises newspapers and radio and TV stations and even finsnces some oppositioo parties.

The ideology is different, but the PRI is as identified with the state as the Soviet Communist party is in the USSR. To argue that economic problems will bring down the Mexican Government is thus about as realistic as to srgue that Soviet economic difficulties will mean the disappearance of Mr Andropov and the Communist Party in the Soviet Union.

Sr Fausto Zapata, a former senator and ambassador to Italy, puts it this way: "The crisis is widespread but it isn't deep. Mexico is like s man who has suffered extensive skin burns but who has not been mortally wounded."

Nevertheless the new Government is clearly very worried by the political damage done to this system hy the regime of President Lopez Portillo which is widely held to have heen corrupt.

A senior assistant to the President also conceded that the Government's IMF-inspired austerity measures bave already affected the popularity of the newly elected leader. Regular opinion polls around the country are underlining this.

This criticism so early in the term of a new President is unprecedented, but the militancy of organised labour has already heen tempered not only hy loyalty to the PRI hut also by the realisation that lower wages are preferable to none at all.

Almost all observers are agreed that the existence of the PRI unions — and the absence of any other nationwide labour organisations rules out any national industrial or peasant action against the Government. There may he instances of industrial or peasant unrest, but the rank and file are likely to remained controlled, however despondently, within the ranks of the government party.

The de la Madrid Government is likely to bolster its position hy calling on those reserves of nationalism which are still abundant in the country which has the U.S. as its neighbour. Mexico lost much of its territory to the U.S. in the last century and U.S. troops occupied parts of Mexico several times this century.

Were any group to become too vociferous against President de la Madrid or the PRI, they could effectively be charged with weakening the Government and embarrassing it, in its continuous negotiatioos with the colossus of the North.

WORLD TRADE NEWS

Tony Walker in Peking on a trade deal that reflects a new rapprochement

Chinese set to sign barter deal with Soviets

CHINA'S north-east province of Heilongjiang and the Soviet far east region will soon sign a trade agreement to barter goods across their common border in a further sign of modest growth in Sino-Soviet relations.

Zhang Bin, a senior official in Harbin, capital of Heilongjiang, in what used to be known as Manchuria, said trade negotiations had taken place last October in the Soviet border town of Khabarovsk.

A Soviet delegation is expected to visit Harbin this month to put finishing touches to the barter agreement under which China will supply mostly foodstuffs in exchange for building materials and some consumer items.

Mr Zhang said it was "in the economic interests" of both sides to start trading across their common border. "The problem could be," be said, "that because of the suspension of trade for so many years, there was a shortage of market information about what they need and what we need."

He mentioned that China used to buy Russian-made bicycles, but now did not need them. The Russians also had proposed bartering black aod white TV sets, but China is having trouble selling those it produces.

"To our knowledge food supplies including grain are insufficient in the Soviet Union." China's north-east provinces are big rain producers.

Sino-Soviet cross-border trade was suspended in 1969 at the time of the Ussuri River incident when Chinese and Russian troops were involved in brief and bloody clashes.

But trade actually stopped in 1966 — the year the Cultural Revolution began — because of a dispute over money. Peking and Moscow early last year agreed to resume cross-border trade as part of a general move towards more normal relations.

Mr Zhang said that among the items the Soviet far east region is proposing to barter with China are timber, cement, glass and consumer goods. In return, China wants to barter edible oils, pork, grain spirit and textiles. The provincial official could not indicate what value trade might reach.

China and the Soviet Union are proposing to open two border points to trade—one in the east at Suiyang on the Chinese side and Ussuriysk on the Soviet side and the other in the north of Heilongjiang at the adjoining towns of Heihe and Blagoveshchensk. At this stage, only the eastern border crossing at Suiyang is served by a railway line.

Prospects for barter trade between Heilongjiang and the Soviet far east are promising in the longer term. Both regions are rich in raw materials and the Soviet side, particularly, is isolsted from domestic markets.

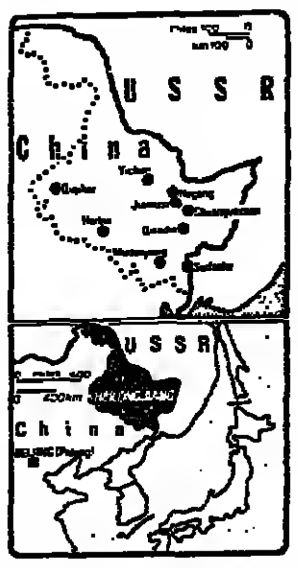
The Chinese have established the Heilongjiang Provincial Border Trade Corporation to handle their business with the Soviets. Soviet and Chinese officials will be located in adjoining border towns and will meet regularly.

Mr Zhang said the Sino-Soviet border was now quiet and there were few incidents these days, but the number of Soviet troops—said to amount to about 1m along the entire border—had not been reduced.

He pointed out that last September the Soviets carried out a big military exercise on Chins's north-east border. The Soviet Union was also continuing to instal "monitoring equipment" along the border, and were "still carrying out espionage and sending spies to China."

Meanhile, China and the Soviets are in the process of resuming their annual trade negotiations which are usually conducted in the first half of the year. This year's talks are being held in Moscow.

Last April the two sides agreed to exchange goods to the value of about $300m. This took the level of Sino-Soviet trade to what it was in 1980 when the Soviet invasion of Afghanistan caused renewed tension between Peking and Moscow.



Sino-Soviet trade this year is expected to register a 45 per cent increase over 1982.

Spanish car exports exceed half national vehicle output

BY DAVID WHITE

SPANISH car exports, the subject of beated controversy in both *Britain* and *Italy*, have edged past the 50 per cent mark of the country's total production, according to 1982 figures disclosed yesterday.

The National Association of Car and Truck Manufacturers said passenger car exports rose by more than 14 per cent to 495,000 last year. This compensated for a slower 5 per cent increase in Spanish manufacturers' sales on their home market to 457,000.

The previous year domestic sales narrowly exceeded exports. Total production of cars in *Spain last year, including the* newly-arrived General Motors as the sixth company in the field, rose by more than 8 per cent to 927,500.

The export rise was despite a 17 per cent decline in sales outside Spain by Ford Espana. Ford's output dropped by more than 10 per cent to 222,000 units, despite a 19 per cent growth in its Spanisb market.

General Motors whose start-up in Spain has intensified the row in Britain over the conditions for Spanish-made cars entering the EEC market, exported 14,600 of its 21,800-unit output last year.

Talbot, Citroen and Renault car factories all showed substantial export increases.

Seat, which boosted its exports of Fiat-designed models by 23 per cent last year, is carrying out its first major offensive to sell in Europe through its own network, a move being challenged by the former Italian partner.

The Spanish company, which broke from Fiat in 1980 and is now almost fully controlled by the state INI group, is aiming to sell over 35,000 cars in Europe this year, including 5,000 of its Ronda models in Italy.

Fiat, claiming that this model is not sufficiently different from its Ritmo car, is pressing a case against Seat for breacb of the agreement the two companies made two yeara ago, following the ending of their 30-year association.

Reuter reports from Tokyo: Japanese vehicle exports rose to 471,890 in January from 453,131 a year earlier and 461,100 in December.

It was the first year-to-year rise in 18 months. It is not clear whether the rise indicates economic recovery in the U.S. and Europe or unusual shipping schedules.

Toyota said its exports totalled 135,268 units last month, 1.5 per cent above yesr-ago levels and against 129,527 last December. Nissan said its exports last month rose 8.3 per cent from a year earlier to 122,495 and were up from 114,583 last December.

Warning on Indian trade policy

By K. K. Sharma in New Delhi

A WARNING that India would consider tigbtening its impnrt policy if tariff and non-tariff barriers continne to he put in the way of its exports by the industrialised countries was given yesterday hy Mr V. P. Singh, the Minisler fnr Commerce.

Mr Singh said that imports needed to make Indian goods competitive in world markets and to increase industrialisation wonld contiune, "but we have lo take into account the realities nf the situation today."

Mr Singh's warning comes in the wake of announcements that India's trade gap —R355hn (£35.9bn) last year —was growing hecause exports are increasing sinwly and impnrts have been liberalised for the past four years, particularly for capital goods and intermediate products.

Mr Singh made his remarks afler retnrning from a meeting in Baghdad of 30 Asian cnuntries held to prepare *strategy* at the next Unctad meeting to be beld at Belgrade in June. The Asian countries adopted a resolution to demand immediate action by the international commnnity to improve trading conditions for the Third World.

Westland secures $3.8m order

By Michael Donne in London

WESTLAND HELICOPTERS of the UK has won an order worth over $3.8m from Aviation Consultants and Services of the U.S. for two Westland W-30 helicopters, for delivery this summer.

The aim is to use the helicopters for an "on demand" VIP charter service. Mr Roy E. Secrest, president of Aviation Consultants, said the choice of the W-30 followed six months of extensive study of other available types.

● National Airways Corporation, a subsidiary of Lonrho, has placed an order with Edgley Aircraft of Old Sarum, Wiltshire, for four of the small slow-flying Optica observation aircraft, worth about £1.5m, with production positions reserved for another 21 aircraft.

NAC has been appointed the distributor for the Optica for countries in Southern Africa.

Edgley Aircraft is negotiating distributorships in several other countries, which it is hoped will lead to further sales successes overseas.

$300m Zaire deal for Lucky

By Ann Charters in Seoul

THE LUCKY Development Company, part of the major Korean conglomerate, the Lucky - Goldstar Gronp, signed a $300m contract with the Zaire Ministry of Economic Planning this week to build a plywood factory, a first class hotel and 12 rural hospitals. The projects will require use of Zaire labour and moterials, though the exact requirements have yet tn be finalised.

The $140m factory, with a 40,000 sheet per day capacity, the $65m 300-room hotel and the bospitals, with a tntal of 1,200 rooms, at $95m are part of the Mohntu economic reconstruction plan and scheduled fnr completion within two years.

This contract marks the first African project fnr Lncky Development, whose prior overseas construction activity has been concentrated in Saudi Arabia.

The company, active outside Korea since 1975, bad $700m in contracts through to the end of 1982. The company is currently studying a project in Lebanon to rebnild the telephnne cable network as part of projected Korean aid to that country.

Snamprogetti wins Agip offshore deal

SNAMPROGETTI, the engineering unit of Italy's state-owned Eni gronp, has won what is understood to be a major offshore oil platform engineering contract from Agip Name, an Italian-Libyan joint venture company representing Libyan oil interests, Our World Trade Staff writes.

Full value of the contract was not disclosed bnt the work will take place in the *Bouri oil operation off the* Libyan coast.

Schering plans $106m Irish interferon plant

BY LYNTON McLAIN IN LONDON

SCHERING-PLOUGH, the U.S. pharmaceutical company, is to go ahead with plans to build in Ireland the world's first plant for the commercial production of interferon, *the experimental drug, for $106m.* The decision comes before the U.S. Government has approved the drug's sale.

The investment marks o further stage in the race between Schering-Plougb and Hoffmann-La Roche to be first to market commercially-produced interferon.

This was emphasised by executives of the U.S. company in London yesterday ot a presentation of the plans by the Industrial Development Authority of Ireland (IDA). The IDA has agreed to fund between 5 per cent and 7 per cent of the investment in the proposed plant at Inishannon, Cork.

"Some scientific and medical *questions* have yet to be resolved before the company seeks U.S. Government approval to market interferon," the company said.

Schering-Plough bas given the *go-ahead so it can be ready to* make the product available as soon as its "therapeutic usefulness is confirmed." It is a "high-risk" product, but "we can ill-afford to have an approved drug without the technology to produce it," Mr John Nine, the senior vice-president for manufacturing operations said.

Ha forecast that the pressure from the medical profession to have the drug available after opproval would be "very significant."

Work on the factory is to start next month and will be phased to permit "continuing assessment of the progress of the drug."

Around 80 staff are expected to be employed at the 234,000 square feet factory, on the site of an existing, disused Schering-Plough works, this year. This will rise to 160 staff by the end of 1984 with further jobs, possibly up to 300 in total, as production builds up.

The decision by the IDA to back the venture is part of a "conscious development of the chemical, pharmaceutical and healthcare industries," Mr Sean Ward, the IDA manager for market planning said.

Ireland's exports in this sector *hove grown from $34m in 1970 to* $1.5bn last year, making Ireland twelfth in the world as on exporter of pharmaceutical products.

Inactive tanker volume rises to 78m tonnes

BY ANDREW FISHER, SHIPPING CORRESPONDENT

LAST MONTH saw another large jump in the volume of *idle tanker* tonnage round the world, with 78m deadweight tons now inactive, E. A. Gibson Shipbrokers have reported.

Gibson said that 460 tankers were idle or laid-up, with scrapping so far this year in the continuing crisis totalling 32 vessels of 2.7m dwt — some 300,000 dwt above the figure to mid-February 1982.

Many owners, the London-older ships, especially since 51 decide to scrap more of their based shipbrokers added, would around the Gulf area with little large tankers were sitting or no prospect of immediate employment.

Cibson's figures showed that VLCCs and ULCCs (very large and ultra large *crude carriers*) of 200,000 dwt and more accounted for just over 57m dwt of the inactive total. This total was 30m dwt a year ago.

It reckoned that 26.7m dwt of these big tankers would probably never trada again. Including smaller ships, it estimated that 38m dwt were unlikely to survive the crisis.

As well as the idle or laid-up tankers—the largest, the 565,000 dwt Seawise Giant, has been lying off tbe island of Aruba near Venezuela since last April —another 13.5m dwt are being used simply to store oil, mostly for Japan.

● A. & P. Appledore, the UK-based shipbuilding consultant, has won a contract to manage the Dubai Drydock.

Appledore, now helping British Shipbuilders on its productivity drive, said the dock would probably be open within six months.

● Reuter reports from Tokyo: Export orders received by Japanese shipyards in January remained at a low level, amounting to seven ships totalling 129,400 gross tons. This compared with eight ships totalling 97,400 tons ordered in January, 1982, and seven ships totalling 133,600 tons in December. The low level of orders reflected the continuing slump in the world shipping market, the Japan Ship Exporters Association said.

Cumulative export orders in the first 10 months of fiscal 1982, started last April 1, totalled 146 ships amounting to 2.22m gross tnns, compared with 234 vessels of 3.84 tons in the same period of fiscal 1981.

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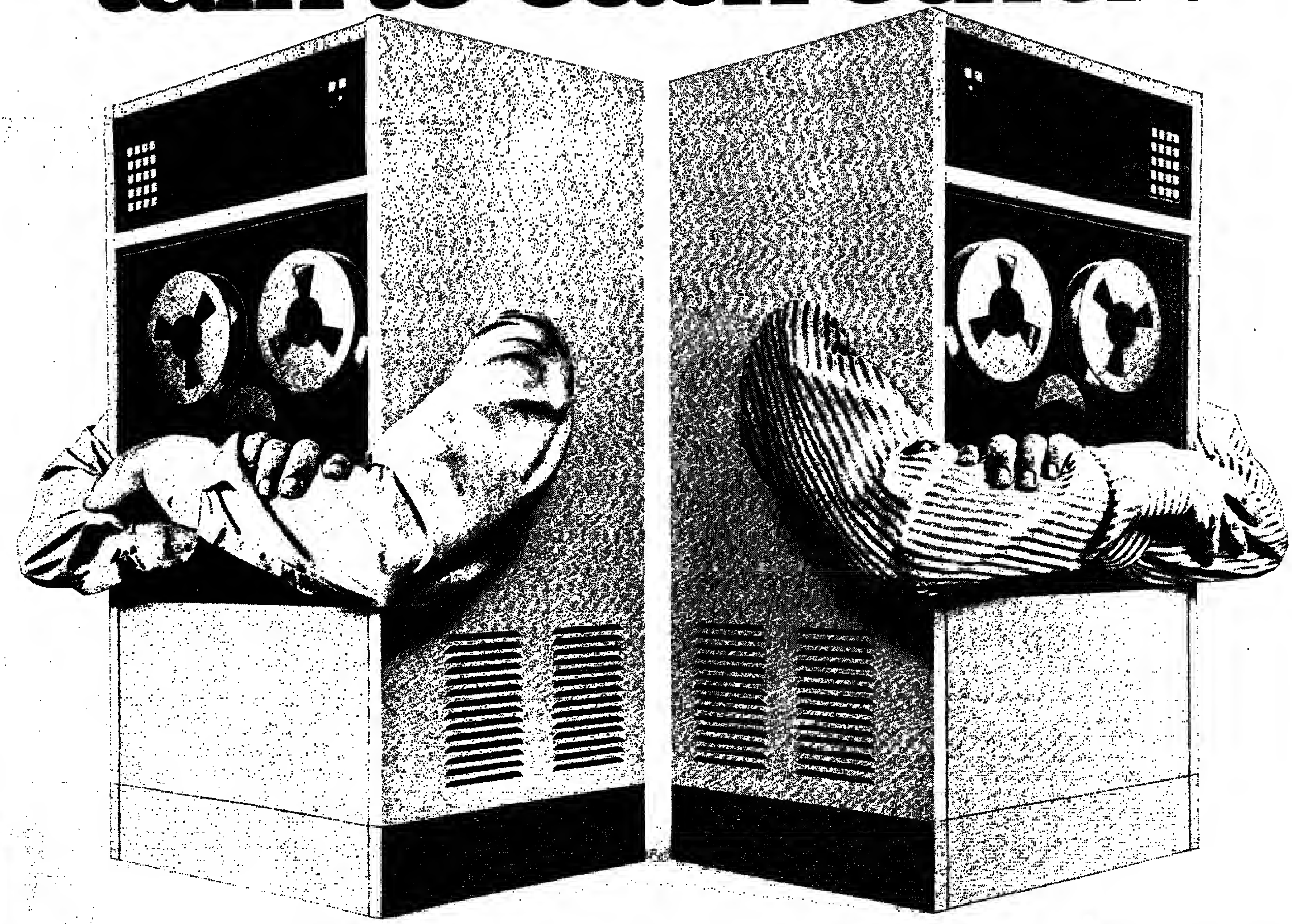

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Thatcher orders inquiry into Cabinet leak

BY MARGARET VAN HATTEM

MRS MARGARET THATCHER, the Prime Minister has ordered an inquiry into the leaking of sensitive Cabinet papers which bave revived the row over Government plans radically to reform the welfare state.

Officials yesterday moved to defuse the row by stressing that many of the proposals outlined in a british newspaper yesterday, which reflect much of the thinking behind last year's controversial central policy report, were at a preliminary stage and did not constitute government policy.

Many of the ideas needed further refinement and some would be rejected outright, it was suggested. But no attempt was made to deny the authenticity of the documents quoted by the newspaper, although its suggestions that the proposals represent an attempt to dismantle the welfare state were hotly denied.

The proposals were drawn up by a policy group headed by the Prime Minister and including eight senior Cabinet Ministers – the Chancellor of the Exchequer, Sir Geoffrey Howe, Sir Keith Joseph, Mr Michael Heseltine, Mr Norman Tebbit, Mr Patrick Jenkin, Mr David Howell, Mr Norman Fowler and Mr Timothy Raison.

The aim of the proposals as outlined in a confidential memo to the committee, is to "identify and to seek ways of countering those factors which tend to undermine or even prohibit the exercise of personal responsibility and a sense of individual self-respect."

Ministerial responses to this challenge include proposals for the privatisation of a wide range of social services; help for parents to set up their own schools and preferential treatment for schools with a "clear moral base"; the lifting of restrictions on some professions such as doctors, teachers and architects; and greater family responsibility for care of the aged.

The papers also propose changes in "social and cultural values"

Publication of extracts from the leaked documents has brought a mixed reaction ranging from outrage on the Labour front benches over the alleged attack on the welfare state to amused contempt from some members on both sides of the House of Commons over the perceived naivety and crudity of many of the proposals.

RTZ chief may take on state steel job

By Peter Riddell, Political Editor

SIR ALISTAIR FRAME, chief executive of *Rio Tinto-Zinc*, has emerged as the strongest candidate to succeed Mr Ian MacGregor as the chairman of the British Steel Corporation.

An approach has apparently been made by ministers to Sir Alistair and negotiations are under way. He would take over in the summer. Mr MacGregor has been in negotiations with the Government about becoming the next chairman of the National Coal Board.

Mrs Margaret Thatcher, Prime Minister is known to favour outside businessmen with a successful private sector career, such as Sir Alistair, rather than a senior internal executive whom she believes has been associated with the past failures of the corporation.

All this reflects Mrs Thatcher's view that the nationalised industries need shaking up with an injection of proven commercial management at the top.

North Sea auction raises nearly £33m from oil companies

BY RAY DAFTER, ENERGY EDITOR

A CONSORTIUM of independent oil companies has successfully bid £10.1m for part of a North Sea exploration block which it could have bought for about £5m two years ago.

The group, led by U.S.-based Amerada Exploration, was the highest bidder in an auction which raised almost £33m for the Government.

Each of the seven blocks and part blocks awarded yesterday under the auction system could have been acquired by the industry in the previous round of licences, when companies were given the opportunity of choosing their own concessions for a fixed sum of £5m each.

Amerada said that, since 1981, it bad obtained fresh seismic data on the concession. British Petroleum, which successfully bid £7.2m for another block in the auction, gave much the same reason. New geological information had come to light which had made the concession more interesting, the company said.

All of the blocks, offered under the eight round of licensing, are in the oil-producing northerly sector of the North Sea.

The "golden block" of the round, won by Amerada and its partners – Charterhall Oil and Bula Exploration – was 21/15b, about 100 miles east of Peterhead, Scotland, and immediately south of BP's Forties field. The concession bas already been licensed once; it was formerly held by Mesa Petroleum but was relinquished in 1976.

The next biggest spender after Amerada was a group of companies led by another U.S.-based operator, Conoco. The companies bid a total of £8.3m for two blocks.

The remaining blocks to be awarded in the eight round are expected to be allocated early next month. These are being distributed under the normal UK system of discretionary licensing. Energy Department officials are interviewing applicants for these blocks, many of which lie in the southern gas-producing sector of the North Sea.

Blocks allocated in the auction round were: 15/25b (£5.7m), Conoco, Tircentrol, Saxon Oil, Hispanoil and Elf UK; 16/1 (£7.2m), British Petroleum; 16/2b (£3.15m), Fina Exploration and Arpet Petroleum; 21/15b (£10.1m), Amerada Exploration, Charterhall Oil, and Bula Exploration; 21/20b (£2m), Shell UK and Esso; 28/4b (£2.6m), Conoco, Tricentrol, Saxon Oil, Hispanoil and Ultramar; 29/4b (£2m), Arpet Petroleum, Esso, Shell UK, Norsk Hydro, and Chemical and Allied Trust.

ANGER AT BR PLAN TO SHUT WORKSHOPS

Rail unions to fight closures

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

RAIL UNION leaders reacted angrily yesterday to the British Rail proposal that three BR Engineering workshops should close with the loss of 3,600 jobs.

Mr Russell Tuck, acting general secretary of the National Union of Railwaymen (NUR), said yesterday: "We shall maintain our policy of no compulsory redundancies and no workshop closures."

The rail unions were told of the proposal at a meeting yesterday of the Rail Council, the top-level BR Board trade union liaison body. The executive of the NUR, the main union in BR Engineering, will discuss the proposal next week.

The decision by the BR Board to press for the closures could lead to a threat of industrial action. The BR Engineering proposal last spring to close the Shildon, Co Durham, workshop – also on the list of closures this time – led to the first of a series of warnings by the NUR that led eventually to the strike in the summer. The current proposal is made at a time when relations between the unions and the board have been described by the NUR and Aslef – the train drivers' union – as "shocking".

BP is proposing that Shildon, with 2,000 employees, should close by the end of next year. The closure would be in two stages, the first 600 leaving at the end of this year. The workshop at Horwich, near Bolton, would be closed by the end of 1983, except for the foundry and spring shop, making 1,100 redundant, and Temple Mills, in east London to close at the same time, with 310 redundancies.

BR says the proposed closures are necessary because there is a continuing surplus capacity in BR Engineering, which makes and maintains locomotives, coaches and wagons. This added £16m to BR's costs last year, and will add another £22m this year.

Although no mention of further redundancies was made at the meeting yesterday, BR Engineering's own plans as outlined to the recent Serpell Committee show that it plans to reduce staff by 4,600 by 1986. BR Engineering now numbers 31,000 employees.

The proposal to close Shildon was described by Mr John Priestley, convenor of shop stewards at the workshop, as "The death of Shildon". The workshop is the only major source of male employment in the town.

"We plan to fight this proposal as we did last spring with a massive campaign," Mr Priestley said. "The issue will be raised at the conference of the Confederation of Shipbuilding and Engineering Unions next month."

Mr Tuck said he believed the board's proposals to be part of the "anti-rail campaign" by the Government based on the Serpell report. "The union will shortly launch a major campaign to show the report in its true light."

● Union leaders representing 63,000 shipyard workers in British Shipbuilders (BS), yesterday said they were planning to put in a claim for a "substantial increase in wages" as BS reconfirmed that any pay rise this year would have to come from local productivity deals.

Mr Maurice Phelps, industrial relations director at BS, said: "A national pay freeze is vital to protect jobs." But he also warned that more job cuts could be on the way after last month's announcement that 2,000 jobs would go by the end of March.

A delegate conference of shipyard workers in Tynemouth yesterday repeated the unions' total opposition to compulsory redundancies in the industry. But BS announced that more than 2,000 volunteers for redundancy had already been found, and little concerted opposition to job cuts is expected from the unions.

More UK news on Page 12

Merchant banker found dead

BY JOHN MOORE

SIR TREVOR DAWSON, the merchant banker, was found dead yesterday at his London home. A plastic bag was over his head when he was discovered by his chauffeur and police said there were no suspicious circummstances surrounding the death. He was 51.

Sir Trevor was one of a group of people investigated by the London Stock Exchange in connection with the affairs of Halliday, Simpson and Company, a Manchester stockbroking firm which was suspended in 1981 and later ceased trading. It was one of the most extensive inquiries ever carried out by the Stock Exchange.

A copy of a report prepared by the Stock Exchange was sent to the Director of Public Proscutions last autumn. An investigation is being carried out into the affair by the City of London Police Fraud Squad.

The office of the director said yesterday that no immediate action was proposed and investigations were still continuing.

In the first of two reports on the Halliday, Simpson affair last year, the Stock Exchange took action of unprecedented severity against the partners of the Manchester firm, charging the senior partner, Mr David Garner, with gross misconduct and suspending him from his membership for life.

Later the Stock Exchange produced another report, which named Sir Trevor Dawson and another group of individuals outside the Stock Exchange.

After initial investigations by the Stock Exchange, Sir Trevor was given leave of absence from his post as investment chief of Arbuthnot Latham, the merchant bankers. He resigned from the bank in 1981.

An inquest will be held later this month.

Sir Trevor had two homes, one at Eaton Square in London's Belgravia and the other at Pewsey, Wiltshire. He was educated at Harrow and Sandhurst and joined the Scots Guards in 1949.

He was a director of a number of companies and his main recreations were racing and shooting. He was a member of several leading London Clubs.

Consultation may delay end to water strike

BY PHILIP BASSETT, LABOUR CORRESPONDENT

REGIONAL water union leaders will press today for workers to be consulted on the findings of the inquiry into the water pay dispute before the unions agree to a settlement.

The unions have not agreed to call off the national strike by water workers while the committee of inquiry sits. The new demand for consultation could further delay an end to the strike, which is nearly four weeks old. The number of consumers without mains water is now about 75,000, and 7.6m people are being advised to boil tap water.

The committee of inquiry, under the chairmanship of Dr Tom Johnston, principal of Heriot-Watt University, Edinburgh, began examining evidence yesterday. The two other committee members are Mr Michael Bett, a board member of British Telecom, and Mr Bill Keys, joint general secretary of the print union Sogat '82.

Both employers and unions refused yesterday to disclose the evidence submitted to the inquiry. Today, they will attend the London offices of the Arbitration, Conciliation and Advisory Service (Acas) to begin giving oral evidence.

At a union meeting today, regional delegates are likely to argue for caution before rushing to an immediate acceptance of the Johnston findings. It is hoped that the committee's report will be ready by Sunday.

The delegates will point today to the fact that the employers' original offer of 7.3 per cent over 16 months had to be put to ballot.

While they accept that a new ballot would be slow and probably impracticable, they will argue strongly that no decision should be taken until a recommendation has been put to membership meetings, probably on Monday if the inquiry report is produced on Sunday.

The union argument is a prime example of the case put by those opposed to secret ballots before a union could call a strike. It is pointed out that this could necessitate another ballot to call off the strike.

The employers themselves want the committee of inquiry not to be hasty but to be sure and confident in its report, as it is intended that the committee's findings should be translated into a national agreement which would be a final resolution of the dispute.

THE PROPERTY MARKET BY MICHAEL CASSELL IN NEW YORK

Manhattan revival in prospect

THERE IS a nasty rumour going round that the Algonquin Hotel, one of New York's few remaining concessions to gracious days gone by, is ready to go the way of all ageing real estate in Manhattan.

There is no denying that the hotel, tucked away on West 44th Street just off Fifth Avenue, has seen better days, although its clientele will have nothing of it and shudder to think what former guests like Noel Coward and Dorothy Parker would say about any possible redevelopment.

Nothing, it seems, is sacred in New York City, where the blizzards this week have forced office workers to climb into clothes more appropriate to the ski-slopes of Aspen than the Avenue of the Americas, eyes remain firmly fixed on slippery sidewalks rather than on the ever-changing skyline.

The fate of the Algonquin is not, it must be admitted, a current pre-occupation of the local real estate market which has more important things on its mind, such as the future of the controversial Citicorp site at Third Avenue and 53rd, abandoned at no small cost by Cadillac Fairview when the group hit hard times.

Indication

That was in October and the fate of the site, in a good location but not involving the tidiest of real estate packages, has been eagerly awaited in order to provide an indication of the health of the local real estate market. Cadillac paid $105m (£68m) for the site and forfeited its $21m down payment when it walked away; there was talk that no-one would step in and pay even the $84m which Cadillac was to borrow from Citicorp to complete the purchase.

It now transpires that no fewer than four bids at the $84m mark have been received and a decision on the new owner is thought to be no more than a few days away.

But it will not require a successful deal on Third Avenue to prove that the Manhattan market is about to put a recent *flat patch behind it. There are* numerous signs to suggest that the oversupply of space and stagnating — even declining — rents, which have characterised the market for the last year or so, will soon be replaced by an upswing in demand and a resumption of rental growth.

The recent strength of the New York financial markets and the City's growing international status as a financial services centre (Eurodollar business alone is set to create up to 5,000 new jobs) provides an inherent strength which can expect an additional boost if the most recent indicators herald a genuine economic recovery.

In the lettings market, the vacancy rate in mid-town has been running at around 4 per cent with top rents on Park Avenue still hitting $65-$70 a sq ft but more typically running between $50-$55 a sq ft. Downtown, where take-up has averaged around 2.5m sq ft a year compared with around 3.5m sq *ft or more in mid-town, rents* have been around the $34-$40 mark.

Simon Milde of Jones Lang Wootton accepts that there is a fair amount of space in the pipeline but emphasises that much of it is pre-leased and that it will not take much of an upsurge in tenant demand, already apparent, to take care of available stock.

No explosion

"We are not going to see another rental explosion but the market is strengthening and pressure is increasing on the available space. The third quarter will see rents begin to rise again, although the increases will be more gradual." Opportunities for new building, he says, will be strictly limited this time round and efforts will be concentrated on refurbishment and on schemes made possible by site assembly.

As for the investment market, the increasingly influential institutions are reviving their interest in real estate. Richard Ellis, in a report out this week, attributes the revival to declining money market rates, combined with increased yields from real estate. In New York, prime, rack-rented yields are running at 9-11 per cent, although the problem is going to be finding available deals.

Some people believe that the time for picking up bargains has almost passed. Wendy Luscombe, who heads up Pan American Properties—the U.S. arm of the National Coal Board pension fund—says that the right time to buy was the last few months of 1982, although there may be a few good deals around for those who can take quick decisions. Competition for whatever becomes available is certain to be increasingly tough, with the likes of the Prudential Corporation — a seller last year—earmarking large sums of money for property investment in 1983.

As in the UK, the institutions have become increasingly keen on equity participation rather than the mere provision of funding, so the traditional developers can expect to take on more joint ventures if they wish to maintain their share of the action.

One man with a fair share of the New York action is Howard Ronson, who left an unfriendly UK behind him and in four years has carved out a name for himself as an active downtown developer. He likes to think his group—HRO International—stands for Highest Rents Obtainable. A year from now they should be higher still.

'Home run' for Trump Tower

THIS WEEK saw the partial opening of Trump Tower on Fifth Avenue, the $150m landmark heralded (by the developers) as "the world's most talked about building" and recognised as one of the most exciting schemes to materialise recently in mid-town.

The Tower, put up in a joint venture between local developer Donald Trump and Equitable Life Assurance, is setting new trends and breaking rental records.

The scheme offers 68 floors of residential, retail and office space on the site of the old Bonwit Teller department store and the shopping space is grouped around a six-level atrium. Most of it has already been *accounted for* — Asprey of London is a tenant — and rents have hit $200 a sq ft, the highest achieved in the United States.

The atrium is clad in Italian marble — personally picked by Mrs Trump — and anyone interested in an apartment had better hurry up. About 85 per cent of the space is sold, with purchasers apparently undeterred by asking prices which start at around $1m.

Ben Holloway, executive vice-president of real estate at Equitable Life, calls it "a home run hit" and says that the scheme has helped complete the restoration of Fifth Avenue as the city's premier shopping street.

Reichman near new Amex deal

PAUL REICHMAN, one of the three billionaire brothers who own and run Olympia and York Developments, has an unnerving habit of including the group's 1m sq ft office projects among the "smaller" schemes it now has under way.

His dismissive approach is *not, however,* borne out of a brashness which seems common enough in the North American real estate business, but is more a reflection of the sheer scale of Olympia and York's development activities.

Mr Reichman, indeed, appears the very antithesis of the American real estate operator: a private man in a private company who, with brothers Albert and Ralph, crossed the border from Canada in 1976 and started taking on the Americans at their own game.

The same journey south across the border has proved disastrous for some Canadian property groups but Olympia and York, though it might find itself temporarily stretched, shows no signs of retreating.

The group, now estimated to hold assets worth $12bn, has a $2bn development programme under way in cities across the U.S., $1bn of which is tied up in the World Financial Centre being developed in downtown Manhattan.

Small wonder then that Mr Reichman finds it hard to remember all the details — such as the year of acquisition — of English Property Corporation, the London-based company it acquired for £58m in 1979 in order to get its hands on a stake in Trizec, the Canadian property group.

EPC, which remains a public company, courtesy of its convertible loan stock holders, has property assets of around £300m. Mr Reichman puts his UK interests into perspective by pointing out that his 12 New York buildings have a current market value eight times higher than his 300 properties on the other side of the Atlantic.

EPC, he says, is currently tidying up its portfolio and he is happy with the group's performance, particularly in respect of the London properties. He does not, however, dismiss the possibility of a sell-out "given the right circumstances."

His heart is clearly in New York while the group may be engaged in the odd 1m sq ft refurbishment on Park Avenue, it is to the World Financial Centre that the conversation inevitably turns.

The plan is to develop 8m sq ft (6m sq ft net) of office space on reclaimed land in the shadow of the World Trade Centre and Mr Reichman says that, with work yet to start, nearly half the space is already spoken for.

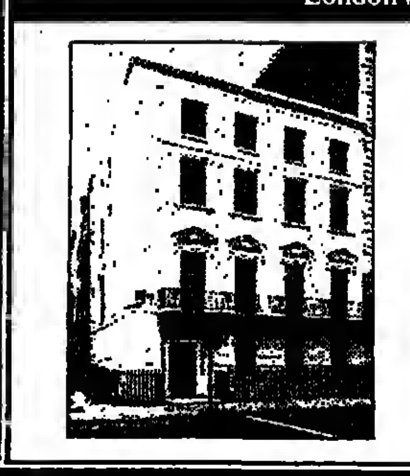
Olympia and York is now in the very final stages of renegotiating a well-publicised deal, worth over $2bn, in which American Express would take more than 2m sq ft of floor-space on a 35-year, fixed rent. In return, the Canadian group would be buying the existing Amex headquarters for $240m.

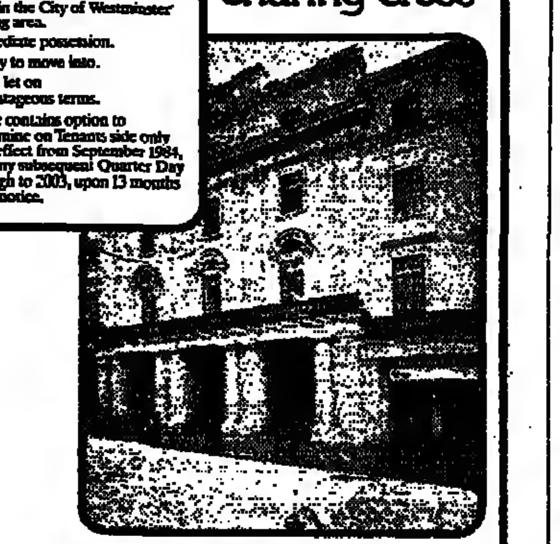
Now, it seems, a fresh agreement has been reached which suits both sides better. American Express has decided that immediate ownership represents a better deal and that the earnings on tax savings arising out of purchase will pay for the building in 12 years. Olympia and York gets the cash and secures a triple "A" occupier.

Mr Reichman will not be drawn on the sums involved but it is thought that American Express will part with a sum approaching $500m and will also bear the finance costs involved. The existing Amex headquarters are likely to cost the Canadians something less than one third of that figure and anything up to $80m less than the original $240m sale price agreed.

Olympia and York has guaranteed to develop half the project by 1987 and the remainder by 1991. There are "active negotiations" underway for the balance of the space.

Paul Reichman says that the complex will offer a quality never before seen in New York and emphasises that he will be spending $100m on the open, mezzanine spaces alone. He is aware that many people have suggested that even New York could not accommodate a scheme of such dimensions but he believes that he has already proved them wrong.





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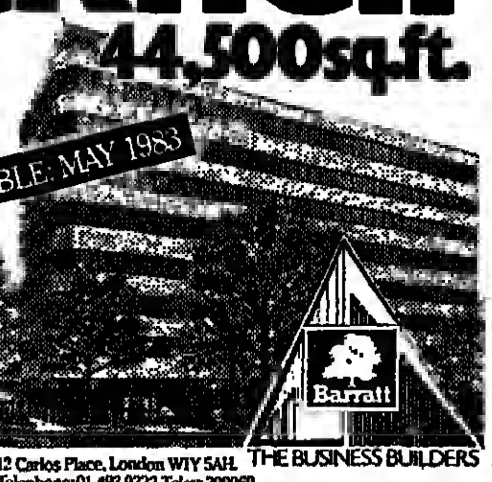

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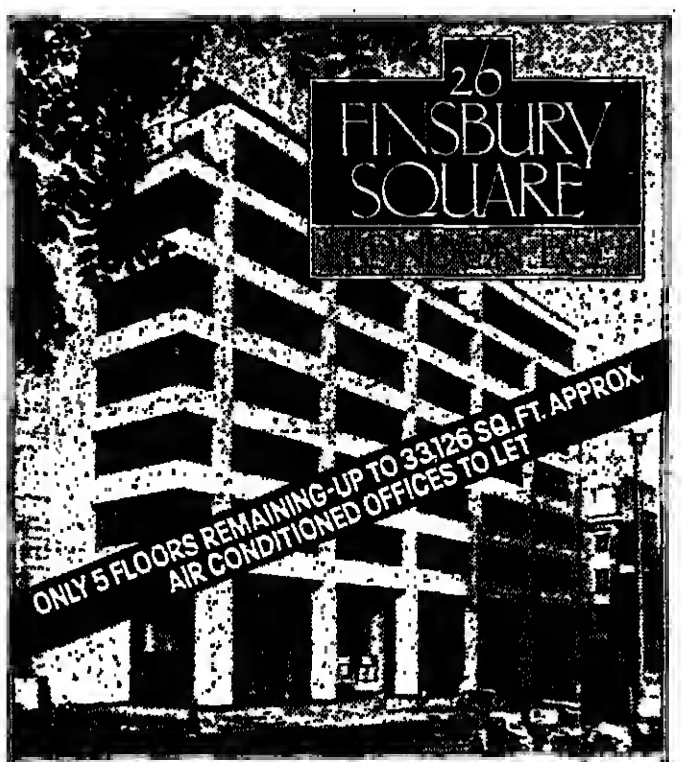

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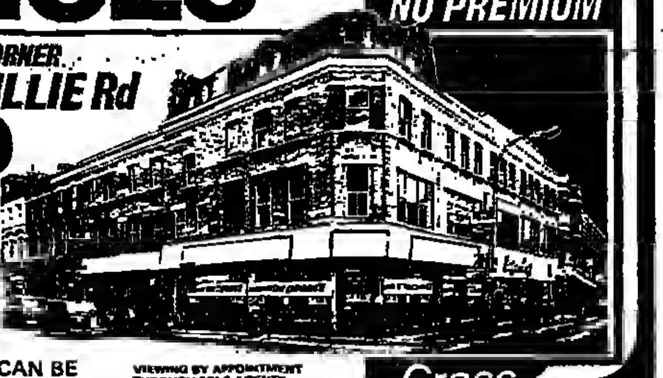

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UK NEWS

Shell loses fight to recover $56m in Salem claim

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

SHELL International Petroleum has finally lost its three-year legal battle to recover $56m from the insurers of the cargo of the supertanker Salem, which was lost in the biggest maritime fraud of all time.

The House of Lords ruled yesterday that Shell's insurance covered only the 15,840 tonnes of crude oil left on the vessel when she was scuttled off Senegal in January 1980, as part of a bold and highly successful conspiracy.

The loss of the bulk of the cargo – 180,392 tonnes secretly discharged in Durban in a $45m deal between the conspirators and the South African authorities – was not covered by Shell's standard Lloyd's SG (ship and goods) policy, the Law Lords decided.

They unanimously upheld rulings by the Court of Appeal last February and dismissed Shell's appeal and the insurers' cross-appeal.

In the result, Shell recovered only about $4.6m under the insurance. However, it had earlier obtained $30.5m from the South African Strategic Fuel Fund Associations (SFFA), as payment for the oil discharged at Durban.

The cargo was insured by 69 Lloyd's syndicates, with 56 per cent of the cover, and 29 insurance companies. The conspirators, who devised and executed what Lord Roskill yesterday described as a gigantic and astonishing fraud, are still at large and have not yet been prosecuted.

After negotiating a contract for the oil with the SFF they bought the Salem and chartered it to innocent charterers, Pontoil, for a voyage from Kuwait to Italy.

Pontoil, the shippers, Kuwait Oil Company, and the Kuwaiti authorities were all deceived.

Pontoil sold the cargo to Shell after it had been loaded at Mina. During the voyage the vessel, whose Master and officers were parties to the conspiracy, secretly diverted to Durban, where, after discharging the bulk of the cargo, her tanks were filled with seawater to give the impression she was still loaded.

Lord Roskill said that the cargo might have been, but was not, insured against all risks. Shell contended that it had been lost by "takings at sea," a peril covered by the SG policy.

The phrase "takings at sea" had, for 300 to 400 years, been understood to mean "deprivation of possession ... whether by enemies or pirates," or "seizure" or "capture."

Contrary to the ruling by the Court of Appeal in the Mandarin Star case in 1969, which the Law Lords were agreed had been wrongly decided, the phrase did not include the risk of a shipowner wrongfully misappropriating a cargo.

Lord Roskill said the Lords should declare firmly that the standard Lloyd's SG policy did not cover such an act by a shipowner.

"If cargo interests require that cover they must seek either an all risks policy or some other appropriate form of cover."

He rejected the insurers' contention that part of the cargo still aboard when the Salem went down had been lost by fraud or fraudulent conspiracy and not by insured perils of the sea.

That loss had been caused by the scuttling, which was covered by Clause 8 of the Institute Cargo Clauses (FPA) which formed part of the terms of the insurance, he said.

● Commodity brokers Wilson Smithett & Cope yesterday defeated in the Court of Appeal an attempt to stop them operating a client's bank guarantees.

The court refused to grant Shirlett & Tudor Estates continuation of a temporary injunction granted last August stopping the brokers claiming on guarantees issued by Manufacturers Hanover Trust and Barclays Bank.

Sir John Donaldson, Master of the Rolls, said that under an agreement made early last year, the brokers were entitled to require security for possible losses on transactions they entered into on Shirlett's behalf.

The agreement was heavily loaded in the brokers' favour, entitling them to close out positions with or without notice.

On June 17 the commodity markets had one of their "spasms," when prices changed rapidly.

Pledge by Labour to ban 245-T weedkiller

By Our Labour Staff

A FUTURE Labour government would ban the controversial weedkiller 245-T, according to Mr Norman Buchan, shadow agriculture spokesman.

He was speaking at a press conference organised by the Farmworkers' section of the Transport and General Workers' Union (TGWU), which is stepping up its campaign to have the weedkiller outlawed. TGWU dockers have already been asked to strengthen their boycott on handling imports of the weedkiller, which is no longer made in the UK.

Mr Jack Boddy, farmworkers' national secretary, said: "The Government last week produced the 11th whitewash of 245-T. It is prepared to allow the weedkiller to remain on the market while at least eight other countries, including Italy, Holland, the U.S. and Sweden, 90 local authorities and many major employers have introduced a ban."

Mr Peter Walker, the Minister of Agriculture, announced in the House of Commons last week that he had been advised by the Government's pesticides safety committee that there was no need to ban sales.

He added, however, that two investigations would look at the possible long-term effects of 245-T on workers who manufactured product and on workers who handled it.

Inland Revenue to investigate Lloyd's tax haven links

BY JOHN MOORE, CITY CORRESPONDENT

THE INLAND Revenue is investigating the relationship of working underwriters at Lloyd's, the insurance market, with companies based in offshore tax havens.

Letters have been sent out by a special investigation section to a number of the 4,000 working members of the market in order to establish whether Lloyd's underwriters have been using reinsurance arrangements with offshore companies for tax evasion purposes.

The revenue have asked underwriters to provide details of companies which they may have established in tax advantaged countries.

The countries listed are: Bahamas, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Channel Islands, Gibraltar, Iceland, Isle of Man, Lebanon, Liechtenstein, Luxembourg, Monaco, Netherlands Antilles, Panama, Switzerland and the United States.

The inquiry, which is being carried out under Section 481 of the Income and Corporation Taxes Act relating to the Revenue's power to obtain information, is expected to examine relationships of underwriters with offshore companies dating back to 1974.

The move follows allegations in the Lloyd's insurance community that millions of dollars have been misappropriated from two major broking companies and placed with offshore companies in which a number of the broking companies's executives have secretly controlled.

It has also been alleged that reinsurance at Lloyd's is often used as a tax avoidance device, designed to warehouse underwriting members' profits with offshore companies while reducing the amount of taxable income disclosed to the Revenue authorities in the UK.

The Institute of Directors said yesterday that the latest version of the draft legislation from the Inland Revenue on companies and tax havens, despite being a marked improvement on earlier documents is still "nowhere near acceptable and would inflict grave damage on the economy."

In its submission to the Inland Revenue, it expressed strong concern at the "wide disparity between the Revenue's far-reaching proposals" and the Government's aim "to hit the right target accurately."

"Five types of abuse picked out by the paper," the Institute says, "represent legitimate commercial arrangements which, if anything, are intended to minimise foreign, not UK, tax liabilities."

The Revenue listed "money box companies," "dividend trap" companies, offshore captive insurance companies, sales, distribution or service companies, and patent holding companies as the five types

Trials to start on itemised phone bills

By Guy de Jonquieres

BRITISH TELECOM (BT) will start trials next year of itemised billing systems which will give telephone subscribers a detailed breakdown of their trunk and international calls.

The trials will cover about 280,000 subscribers in South London, Edinburgh, Leicester and Shrewsbury, starting in the summer of next year. They will last up to six months, after which BT will decide whether to extend the service

Itemised billing has been standard in the U.S. and Canada for many years. It is also provided to telephone subscribers in a number of countries in Western Europe.

Computerised equipment to be attached to exchanges will be supplied by International Business Machines, the General Electric Company (GEC) and Plessey. Orders, worth about £23m were placed after competitive bidding.

Subscribers will receive, free of charge, detailed statements listing the date and time they placed calls, the number called, the duration of the call and the charge. A breakdown of local calls will also be available in special circumstances, at extra cost.

At present, BT can provide such information only by attaching a special metering device to a subscriber's line.

Companies told how to minimise risks in foreign exchange

BY JEREMY STONE

COMPUTER forecasting and the financial futures markets were both defended yesterday on the second day of the Financial Times conference in London on foreign exchange risk, when speakers concentrated on the techniques companies could use to mitigate their exchange risk exposure.

The record of technical analysts – who base their exchange rate forecasts on charts and computer models – was representend by Mr Henry Hubbe as distinctly superior to that of economic forecasters. Mr Hubbe, who is in charge of a forecasting unit at European American Bank which produces both economic and technical forecasts, said: "It is amazing that there is still a demand for economics-based forecasting, but there is so we supply it."

Research in the U.S. over a three-year period had shown that technical analysts had a 60 per cent success rate in predicting whether a spot rate in the future would be higher or lower than the relevant forward rate when the prediction was made.

Economists had a success rate of only 47 per cent, a ratio which did not improve even for longer maturities, when fundamental economic factors might be expected to assert themselves.

Calculations by European American showed that currency speculators who systematically followed the recommendations of "technicians" had come out with an annual return of 11 per cent on their trading. Followers of economic forecasters had to make do with an annual loss rate of 2.7 per cent.

However, the superior profit performance of technical analysis owed less to being right about future rates than to controlling losses by automatic triggers. It was this aspect of technical analysis to which other speakers had traced its destabilising influence on the markets.

Mr Hubbe doubted if technicians were good enough forecasters for their clients to dominate the market, as had been suggested. "As the markets get smarter, so they get harder to beat."

Futures Instruments also came in for some rehabilitation, at least from the point of view of individual companies trying to lay off unwanted exchange risks. Mr Jess Tigar, chief executive of Marshall Rouse Woodstock, claimed that the flexibility of the futures market could liberate managers to concentrate on other aspects of their business, rather than be tied down to screen-watching.

Mr Tigar emphasised that foreign exchange markets moved irrationally and rates shifted when people least expected it. This unpredictability meant it was essential for companies to insure against the market risk. But the traditional system of foreign exchange cover through banks probably did not allow most companies to manage their exposure as they should. Futures trading filled this gap.

Two other speakers placed stress on the need for foreign exchange decisions to be taken in a systematic way, including marketing and taxation aspects as well as judgment of trends in the currency markets.

Mr John Chown showed that if tax considerations were brought into currency decision-making, much better results could be achieved than if either tax planners or currency traders made the decision in isolation.

A tax adviser's strategy was to borrow expensive currencies because interest was deductible for tax but currency losses were not. This conflicted with a treasurer's view that strong currencies, with low interest rates, should be borrowed for the capital gain. These approaches could be profitably combined by borrowing the weak currency (for deductibility of interest) and selling forward a corresponding amount of the strong currency in a tax neutral way (to get the exchange gain).

Mr Alfred Kenyon, of the City University Business School, pointed out that trading risk arose at the point when an export contract was finally priced in foreign currency. It was thus a risk which essentially involved marketing. Much the most boring way of avoiding this risk was to sell in the currency where the cost was incurred. This "contraceptive" weapon was unfairly neglected by many companies.

Framatome rules out failure of reactor vessel

BY A SPECIAL CORRESPONDENT

A DIRECTOR of the French company which will supply the pressure vessel for the proposed nuclear reactor at Sizewell, on the east coast of England, said yesterday that any risk of the vessel failing could be discounted.

M Alain Vignes, technical director of the manufacturing division of Framatome, was giving evidence to the public inquiry into the building of the Sizewell B reactor, which would be Britain's first pressurised water reactor (PWR).

Framatome has been given the design contract for the pressure vessel, the "heart" of the plant, and will be given the manufacturing contract if the project is approved. Framatome is 70 per cent owned by the Creusot Loire steel group and 30 per cent by a French government agency concerned with reactor technology and the uranium fuel cycle.

M Vignes said Framatome had built reactor vessels for PWRs around the world. French experience with the vessels had begun in the 1960s and 29 Framatome vessels were in operation, with another 20 under construction.

The earlier of the American Westinghouse plants, for which Creusot Loire built the pressure vessel, had been in operation for 13 years, he said. The first Framatome vessel had been operating for seven years.

M Vignes said the company had built the pressure vessels for reactors in South Korea, Iran, South Africa and Belgium.

The quality and properties of materials used, the high standard of welding operations and the effectiveness and reliability of tests meant that the risk of the pressure vessel failing could be discounted, he said. Extensive use of ultrasonic techniques to detect cracks would be used during and after manufacture.

M Vignes said special requirements which had been specified in the Sizewell B pre-construction safety report had already been met in current Framatome practice. Further improvements demanded by Britain's National Nuclear Corporation (NNC) would be implemented.

NNC would oversee quality control and an independent organisation would double-check the integrity of the vessel throughout the manufacturing process.

The Central Electricity Generating Board, which is seeking approval for Sizewell B, would also carry out two additional inspections, Mr Vignes said.

TECHNOLOGY

EDITED BY ALAN CANE

TRAVEL AGENTS ASSOCIATION NEAR TO LAUNCH OF NEW BOOKING SYSTEM

Modulas: just the ticket for ABTA

BY ELAINE WILLIAMS

IN APRIL the Association of British Travel Agents (ABTA) launches its much delayed Modulas computer system aimed at automating travel agents' booking systems. Modulas was first announced last year but its introduction was put in doubt when Caltrav, the Canadian tour company which had developed the system, went into liquidation.

Though attempts were made to sava Travel Systems, Caltrav's UK subsidiary which was working with ABTA to adapt the Candian system for the UK market, negotiations with the Canadian liquidator were unsuccessful.

As a result ABTA set up a new development company called Tourism Technology. This is 25 per cent owned by ABTA, 50 per cent owned by Future Technology Systems, the hardware suppliers for the system and 25 per cent owned by a grouping of travel agents called TACIT. This stands for Travel Agents Company for Investment in Technology.

Mr David Heard, acting managing director of Tourism Technology, commented: "The travel agents' involvement is interesting because it provides the best endorsement for the product we could have. Here are 20 or so people who are actually prepared not only to buy the system but also to put their own money forward to develop this system."

Total development costs for the Modulas system will ba in the region of £800,000 of which ABTA has contributed about £250,000. ABTA chose Future Technology Systems as the hardware supplier. The system will be based on the company's Series 88 range of 16 bit microcomputers.

The simplest model in the range will be the Series 1000 which will allow access to the existing viewdata information and booking services run by some of the major tour operators including Thomson, Thomas Cook, and Olympic Holidays. It is also a word processor.

More sophisticated models allow the travel agent to carry out accounting, administration and reservation. These can print tickets, vouchers, invoices, statements, full accounting to profit and loss and balance sheet. The price ranges from £5,950 for the simplest system to more than £25,000 for the most sophisticated version of *Modulas*.

ABTA hopes that tha system will be of benefit to all 4,500 travel agents including the 2,000 which are small.

Travel agents, however, are already major users of Prestel, British Telecom's viewdata systems to nbtain up-to-date information about last minnta cut price holiday bargains, air traffic problems and the like.

For years major tour operators have had computer reservation systems but it is only recently that they heve allowed tour operators to link directly into their systems to book holiday packages.

Thomson

Thomson Holidays, Britain's *biggest tour operator*, went nationwide with its private computerised booking system for travel agents based on Prestel technology last October. Mr Colin Palmer, Thomson's commercial director, said that 3,000 travel agents were now linked to its TOP computer system. Ha added that about half its business was now being booked through the system.

The move into direct booking by travel agents was prompted by the fact that 95 per cent of its £200m UK business is through agents. Thomson carries 1m passengers a year and bas an *estimated* 20 *per cent* of *the* market.

For Thomson the system increases ataff productivity and helps cope with booking peaks. For example when the holiday seasons change as much as 10 per cent of total holiday packages can be booked on the first day the new brochure is released.

For the travel agents the benefit comes in easier access to booking, instant confirmation of a holiday and better information about the availability of hotels and flights. The customer has the satisfaction of knowing exactly what he has booked and the alternatives which are available without any delay.

Thomson's entry into computerised booking is seen by Olympic Holidays as putting the seal of approval on viewdata based systems which allow travel agents access to tour operators' own computerised reservation systems.

Olympic Holidays, which specialises in Greek package tours, pioneered the use of private viewdata when it introduced its Sparta system in 1980. About 20 per cent of its business now comes over the Sparta network.

Recently, Olympic set up e new *subsidiary called* Sparta Viewdata, with the idea of capitalising on the company's software expertise in private viewdata and computer systems. Mr Basil Mansell, Olympic's managing director said that the first products from the new company would probebly be available by the *end of* the *year*.

He stressed, however, that the main use of technology was to make his own business more competitiva and efficient. Once this was achieved he would be happy to sell that knowledge to other organisations in the leisure industry.

Mr David Hardman, tha consultant who is continnally improving the Sparta system said that there was still a long way to go in automating travel agents even though about 4,000 viewdata terminals were *installed at 3,500 locations*.

Mr Hardman feels that there is scope to make the access and use of viewdata based reservations cheeper. "Telephone calls are a big item of expenditure for the travel agent. With computer communication there is the chance to reduce cost unlike voice communications," he said.

The Sparta system is run on *two DEC PDP11/70 computers* and Mr Hardman and the Olympus development team have added a facility which allows them to monitor how agents are using the system and the common mistakes they make. Armed with this information, Mr Hardman hopes to make Sparta simpler to operate so *that agents do not become* too confused when new facilities are added.

With the public's increasing trend towards late booking of holidays and the general uncertainty about the holiday business, tour companies and travel agents realise that they must become more responsive to customers' needs.

Olympic sees technology as *playing a large part in* achieving this. Mr Mansell said that it will be possible eventually to generate tickets and invoices directly over the network saving postal delays.

About 3000 travel agents np and down the country are now linked to Thomson Holidays' *central computer-based reservation system through a national videotex network. The videotex system*, called TOP (Thompson Open-line Programme), is believed to be the largest such private network in Europe

SMALL COMPUTERS

NCR joins the personal stakes

BY ALAN CANE

NCR, the U.S.-based manufacturer of computers and office equipment, has joined the ranks of electronics majors offering a professional personal computer.

This is e compact, low priced and self-contained machine giving the business executive computer power on his desk. Apple, Commodore and Tandy have traditionally led this market but the entry of IBM with its Personal Computer two years ago in the U.S. and last month in Europe has opened the field dramatically.

Digital Equipment and Hewlett Packard are among the major companies which have introduced personal machines, while Tandy, Commodore and Apple are offering improved versions of their original offerings.

The NCR machine follows the now-traditional pattern; flat, ergonomically designed keyboard, processor, screen and floppy disk drives in one unit, separate hard copy printer.

Called the Decision Mate V, the machine is offered in 8-bit, 8 and 16-bit and 32-bit formats. It runs the most popular small machine operating systems CP/M 80, CP/M 86 and MS-DOS giving the user eccess to the hundreds of programs written to run on these operating systems.

NCR has also developed a system of networking for their small machines that enables a number of computers to shere mass storage systems, printers and so on.

Central to the networking system is an electronic file called MODUS. The Decision Mete V eight-bit machine costs from £1,825; the dual processor 8/16-bit machine costs from £2,175. The MODUS device costs around £7,000 and each additional unit attached to the network will eost about £200.

The Decision Mate V is the first of NCR'a computer products to be wholly designed and manufactured in Europe.

It will be sold in two ways. Through NCR'a conventional salesforce to lerge corporate customers and through a new and independent marketing division that is being established.

More from NCR on 01-388 8244.

WEIGHING AND PACKAGING

That takes the biscuit

THE FOOD industry's need for ever more eccurate welghing and packaging equipment has led PCL, the United Biscuits computer systems subsidiary, to develop what it calls a new low-cost "micro manager."

The system, already proved in United Biscuits' own plants, is being offered to nther companies anxious to comply with EEC reguletions regarding weights of packaged foods, as well as to streamline the most labour-intensive parts of their operations.

Based on the recently introduced DEC Falcon SBC 11/21 computer, it can be linked to four checkweighers nr weighing instruments to provide accurate control throughont the production and packaging line.

A high speed/high resolution analog to digital convertor also allows up to eight other signals to be captured from sensors on a production line, indicating temperature, humidity, speed, colour and other conditions.

A feature of the system, running at United Biscuits, Harlesden, North West London, is that goods are very briefly halted on the production line in order to be weighted. PCL claims accuracies of about one tenth of a gram.

Memory

Controller for all Winchesters

MEDL Distribution at Wembley in Middlesex now bave the Intel 82062 controller for interfocing microprocessor systems to Winchester disks.

This device translates parallel data from the microprocessor to a 5 Mbit/sec MFM-encoded serial bit stream. It also provides all the drive logic and control systems. The controller ean work with many of the popnlar Winchester disk interfaces. More information can be obtained from MEDL on 01 904 9303.

Monitoring

Computer for down the mines

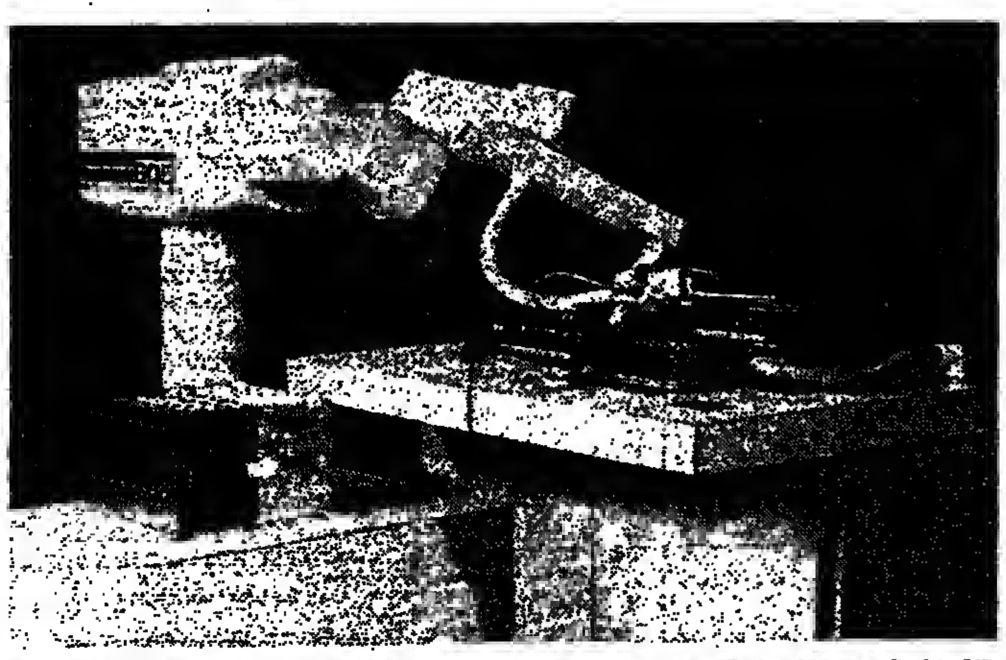
KRATOS Computer Systems bas introdnced the KMC 8000 compnter for hazardous area monitoring and control applications. Designed initially for the mining industry, the system is based on a 18 hit microprocessor and is designed to intrinsically safe standards.

The system is capable of running high level languages such as Fortran, Pascal, PL/M and Basic. It is intended for stand alone and distributed applications. More information is available on 0785 812131.

AUTOMATED TEST EQUIPMENT

Zehntel plans to network the electronic production line

BY GEOFFREY CHARLISH



Robotic Board Handling System RBHS can be operated with both Series 300 and Series 800 ATEs. Here, it is working with a Zehntel 310

IN THE next two years auto-test company Zehntel plans to introduce some eight products to enable TIN systems (test information networks) to be implemented.

TIN products will allow an electronics production line to be automated progressively, with the necessary components such as testers, repair stations end handling equipment connected np by means nf a local area network (LAN). The company has decided however, not to develop its own LAN hut to employ Ethernet approaches.

The first two of the products are known as the Series 700 paperless repair system and the series 600 robotic board handling system.

One of the difficulties in handling large numbers of printed circuit boards on the shop floor is the need for identifying paper to travel with them. Using the 700 system, each board is given a code using a bar code lebel.

Test and failure data are transmitted from the tester via the Ethernet link to a control module for storage. From this "electronic filing cabinet" the data can be recalled by simply passing the bar code reader over the board's label.

At the repair station failure data appears on a colour or monochrome screen, in a user-friendly format. Once the board is repaired the action taken can be entared into the central fila from the keyboard.

Tha unit can handle inout from several of the company'a model 810 in-circuit test systems and will aupport up to 16 re-work terminals. Data stored in the control module ean be accessed *within seconds from* any repair terminal.

The robotica handling system is based on a Intelledex model 605 six axis unit that can handle a 3 lb payload and has a plecing accuracy of 0.001 in. It can locate the board to be tested using a charge coupled device comera and then pick it up for placing on to the ATE's "bed of nails" test fixture. Testing then starts autometically.

Finally the robot consigns the board to the "pass" or "fail" bins in responso to signals from the tester.

Although the rohot and its interfaces can be supplied as a stand alone unit for eny Zehntel 300 or 800 tester. maximum benefit will be obtained when it is integrated into the TIN, aince all manual activity at the test atations can then be eliminated.

The robot can accommodate rapid ehanges in board size and handling requirements. It is easily programmed says Zehntel.

The company *believes* that the flexibility of robots is important in introducing automation to electronics production lines, simply because they are able to come on stream without interfering with existing arrangements on the line. In addition, they should be able to accomplish other *tasks as* well *such* as the adjustment of potentiometers and setting of switches. More on 0908 613965.

Transducer study

THE MARKET for electronie pressure transducers and transmitters is likely to grow by 19.8 per cent annually nver the next five years, according to a new report from the U.S.-based market consultancy Venture Development Corporation.

It says: "As a result the anticipated $707m-worth of shipments in 1986 will be nearly 2.5 times larger than the $287m level echieved in 1981."

Shipments of strain gauge pressure transducers and transmitters will grow et 23.1 per ceot a year, the study says.

The study, *The Pressure Tronsducer and Tronsmitter Industry: a Strotegic Analysis*, is evailable from Venture Development on area code (617) 237 5080.

Currency fluctuations

The corporate dilemmas precipitated by erratic exchange rates

BY JEREMY STONE

WHEN the collapse of sterling on the foreign exchanges began to look permanent early in the new year, the immediate response of any City analyst was to re-run his calculations of exporters' profitability.

Just from sterling's fall against the D-mark, it looked to some people in the City, for example, as if ICI—one of Britain's largest exporters, stood to be £130m better off by the end of the year.

ICI, however, is not convinced. "Everybody thinks that there is some simple mathematical relationship between the exchange rate and profits but it's not so straightforward," comments John Crowe, ICI's treasurer.

This caution affects any company which is heavily involved in exporting — or importing. There is a cluster of uncertainties: What will foreign competitors do in home and overseas markets? What will happen to key raw material prices? What will happen to major currencies apart from sterling? How should companies respond to sudden changes? The realignment of currencies, and the very erratic way in which this has taken place, means that day to day currency management in particular has become a great deal more difficult. Pricing conditions in competitive markets will be extremely critical as exchange rate shifts are absorbed in the next few months. And finance directors may need to re-juggle the currencies in which their assets are financed, affecting balance sheets for years ahead.

A lower value for sterling may be broadly good for companies, raising profit margins and—for some—easing balance sheet problems. But the way the devaluation has been achieved, in crazily zig-zag currency markets, is simply a headache.

"We used to worry about the volatility of exchange rates, but now it has grown geometrically. It is no longer worth getting involved," says Archie Doneldson, ICI's deputy treasurer who manages the group's foreign exchange exposure. Bob Cerlton Porter, et Hoechst UK, takes e similar view: "We're all having to learn a new rule-book."

His approach is to aim for "equalisation of the exchange rate effects on payables and receivables." At present this may mean covering transactions more than normally. "But one way not to cope is to try to match the market at every point."

It also makes a lot of difference whether you are buying or selling. The dollar is the main focus of uncerteinty. Importers from the U.S. are sitting, waiting "for some sense to return" and with it e better sterling/dollar rate of exchange. For exporters it is quite the other way about: people with dollar receivables have been selling the dollar heavily forward, trying to get a better yield from the whole transaction by "locking in" to its current value.

Ken Gardener, Dunlop's finance director, keeps e constant watch on the half-dozen currencies in which the group has concentrated its assets, and its debt.

Over the last 12 months sterling's decline has inflated both sides of the overseas balance sheet. But the effect on overseas assets—thanks largely to the strength of the Malaysian ringgit—is probably the more pronounced.

"Dunlop's overseas equity goes up by roughly £5m for every 1 per cent fall against our special basket of currencies," saya Gardener. "Of course, that is a rather different basket from the official one." (Against the basket used by the Bank of England, the pound's trade-weighted exchange rate has fallen by over 10 per cent since the slide started in November.)

If you believe that sterling is a constitutionally weak currency (one that is worth betting against over a span of years) Dunlop's combination of foreign assets end predominantly UK debt is sound strategy. In real terms, such a balance sheet should gradually de-gear itself, as the asset currencies appreciate and the pound shrivels.

Unfortunately for Dunlop, it has been wrestling for the past five years to finance e wholesale rationalisation of its chronically loss-making tyre operations in the UK and Western Europe (largely by selling off Far Eastern holding). This cash outflow has been ripping into Dunlop's equity faster—for the most part—than exchange rates could move to rebuild it.

The same erguments apply to the other side of the coin, when it comes to financing new overseas investment. Consolideted Goldfields, which wanted to invest in the U.S., raised £180m in e rights issue just over two years ago. Goldfields immediately swung the whole lot into U.S. dollars at a rate of about $2.4130.

Goldfields' finance director, Antony Hichens, says: "The rate was luck, of course, but not the choice to shift into dollars at that time."

Having taken the decision to invest heavily in the U.S.—where it has accumulated about 25 per cent of the shares in Newmont Mining — Goldfields was fortunately able, in sterling's period as a high-flying petro-currency, to shift some £300m into the U.S. at rates above $2.

For Hichens the decision about which currency to borrow is fairly clear cut. "For years—except perhaps in 1980 and 1981—sterling was definitely a good currency to borrow in, as it was drifting downwards in the long run."

Once sterling dropped under about $1.60, however, the tactics had to be changed. Last September, when Goldfields was adding to its stake in Newmont, it made sense for Hichens to borrow sterling with which to buy the necessary dollars.

Then came the slide. When Newmont placed 2m new shares at the end of January, Goldfields decided that the funds needed to maintain its percentage stake should be borrowed in dollars: at rates in the vicinity of $1.50, dollars seemed too expensive to buy.

Even now, he would be happy to have U.S. assets matched by UK borrowing over the next few years, given his view that the U.S. is the right place to invest and its currency is not fundamentally weak against sterling.

"There is nothing magic about matching assets and liabilities in currency terms. It's much more important to take e long term view about the currency risk over a long period."

Dunlop's Gardener egrees: "The main thing is that the long term economic trends will sooner or later prevail. Comparative inflation rates have their effect. You know, Adam Smith comes roaring back in the end."

Swings and roundabouts in D-Mark invoicing

UNIVERSAL GRAVITATION (plc) is a semi-fictional engineering company based in the Birmingham area. It is an international supplier of flywheels to the perpetual motion industry.

"The thing we most want in a mature industry like this is a very stable exchange rate," explains UG's finance director, Isaac Newton. "But since we cannot have a stable pound, we decided many months ago that our overseas companies should invoice in local currencies." This makes it easier to price consistently in foreign markets even when the exchange rates with sterling move.

"We would also like to bill our overseas customers to whom we export from the UK in *hard* currency—like the D-mark—but this does not always work; only last week our biggest German customer, Dentschependulnm, came back to us after five years of D-mark invoicing and demanded to be billed in sterling. They know a weak currency when they see one."

Newton is prepared to put up with this treatment: "I want to be supplying Pendulnm in 20 years. You can't take your customers for a ride on a currency.

"When the competition is going to quote in D-marks, we can get away with it too. We did marvellously well to quote for a Guatemalan contract in D-marks at DM 4.20 to the pound, when we thought it was going to DM 3.80. That was nine months ago, and we have been lucky (it has recently been in the DM 3.70 region); it does happen sometimes.

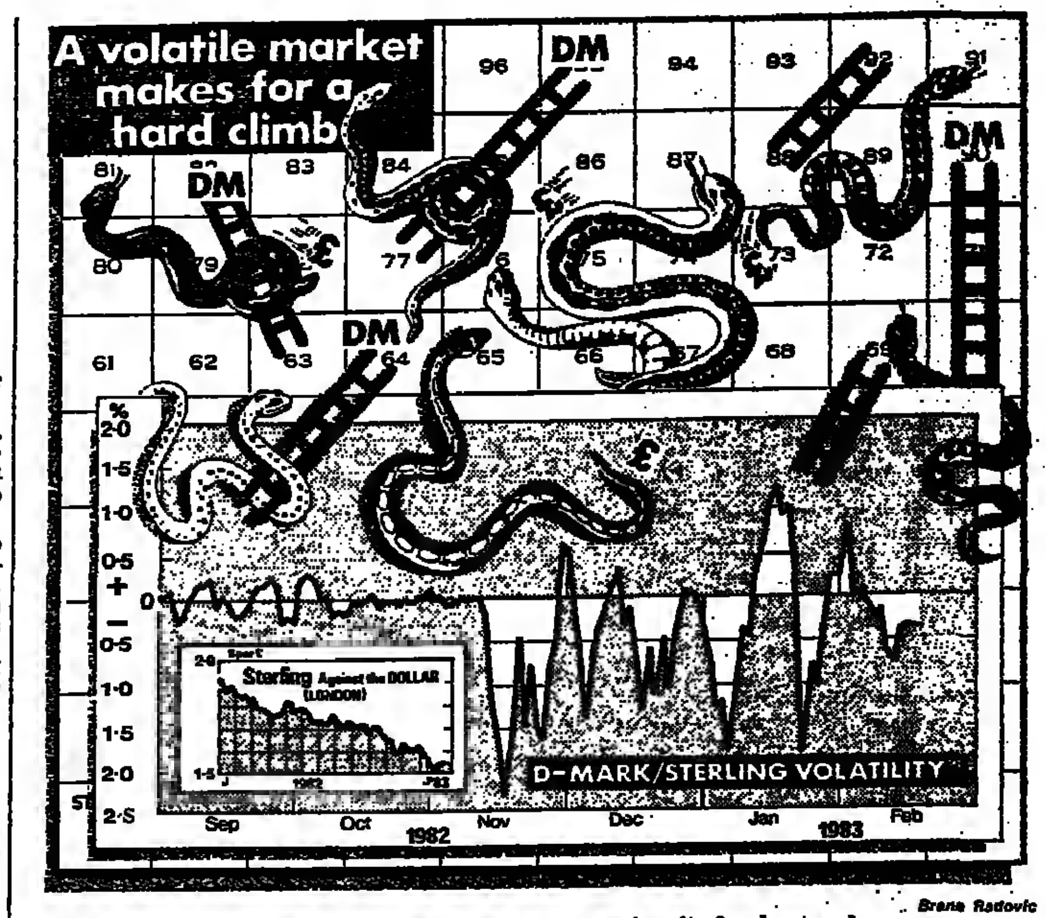
"We've had to become very vigilant in our handling of currency transactions. I have a very alert treasurer keeping an eye on rates minute by minute, to pounce on the right moment to deal. You need to be patient though; generally, rates come down as fast as they have gone up.

"There isn't any currency translation problem in UG. All the overseas companies borrow in local currency. But we keep a tight central grip on them; their cash books are inspected here every week.

"Just recently we have been toying with the idea of switching some of our sterling bank debt into D-mark loans, for the first time. The interest rate differential of 4 or 5 per cent is very tempting, looking at it right now. For us to lose out sterling would have to drop below DM 3.60 and stay there.

"We will have to be terribly careful about going into this sort of thing; everybody remembers that it was multi-currency borrowing plus a sliding pound which scuppered J. Lyons.

"And I'd rather you didn't tell our UK bankers about all this."



Brane Radovic

Percentage variation of spot price against its five-day trend

ICI: no simple re-calculation

THE EFFECT of City analysts re-calculating ICI's profits at the beginning of the year was that its share price began to move, particularly after the shares were befriended by the giant U.S. broking firm Merrill Lynch.

However, the profits-formula gets the shortest shrift from John Crowe: "If you say to me, what figure is it really—how many £m per cent? — I just don't know."

"It will make a difference, but the figures that are being discussed look far too high."

If there were a simple arithmetical relationship, it would rest on the assumption that nothing changed except the exchange rate.

Yet a great deal depends on the reactions of ICI's competitors in different markets. Even in the UK market, says Crowe, "it doesn't follow that you can put up your prices by the percentage fall in sterling."

There is still a chance that lower sterling will choke off some marginal suppliers of the UK market, particularly from the U.S. They will now display less eagerness to sell into the UK market just for the "contribution to overheads," which can come from extra volume; the fall of sterling, relative to the dollar, and D-mark, has snatched this "contribution" eway.

Crowe explains the reasoning behind such sales:

"There is a great temptation to produce as long as you can recover the cost of raw materials and energy, because something like half of total costs are fixed — at least in a three month time scale."

Much the same applies in ICI's Continental merkets, where huge overcapacity makes it hard for any producer of commodity chemicals to raise prices, while any signs of more aggressive exporting to West Germany would be likely to draw punitive price cuts from the likes of Bayer, Hoechst and BASF, none of which would want to yield market share on an ephemeral upset in exchange rates.

Similarly, "it would be crazy for us to have dismantled our export operations just because the pound was so strong in 1980 and 1981," says Crowe.

One factor overhanging the foreign exchange issue from the chemical industry's point of view is a dollar-denominated oil price. To the extent that the dollar Deutsche Mark rate weakens, cheaper feedstocks in West Germany could erode the exporting advantage to ICI of a lower parity for sterling. This effect would be accentuated if sterling remained weak against the dollar, raising the effective price of feedstocks in the UK. If the oil price were to collapse, the impact of currency movements on relative costs in the two countries would be negligible.

Industry-wide surpluses of production capacity, even after drastic pruning, set a pattern which may generally keep the lid on prices, and margins, in the UK. Indications of the confidence to raise prices are patchy, and the excess capacity throughout Europe — in sectors ranging from white goods to car tyres — could make it hard for UK producers to raise their prices to retain market share.

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THE ARTS

Opera and Ballet

VIENNA

Staatsoper (5324/2655): Arabella, Madame Butterfly, Der Barbier von Sevilla.
Volksoper (5324/2657): The Merry Wives of Windsor. Der Vogelhändler, Der Fremdenführer.
Raimundtheater (578628): Die Gräfin Mariza (Daily except Mon)

HOLLAND

Nederlands Opera and Dutch National Ballet in Richard Strauss'n Arabella at the Amsterdam Stadschouwburg.
National Ballet is giving the first performances of new works by Rudi van Dantzig and Toer van Schayk. Amsterdam Stadschouwburg (Thur).

LONDON

Royal Opera, Covent Garden: Carmen, interestingly revived with Agnes Baltsa and José Carreras, marks Colin Davis' first Royal Opera *(though not first London) encounter* with Bizet. The unfortunate latest showing of Tosca, with Giacomo Aragall replacing the errant Luciano Pavarotti, continues in repertory.
English National Opera, Coliseum: Boris Godunov, an evening of authentic Musorgsky not best served by Elgar Howarth's lax conducting or Colin Graham's dull production shows Aage Haugland's titular hero in the early part of the week, and John Tomlinson's in the later. Further performances of the grotesque new Queen of Spades, of Il Trovatore with Rita Hunter; Della Jones, Britain's most accomplished Rossini mezzo, returns as the heroine of his Cinderella.
New Sadler's Wells Opera, Rosebery Avenue: all three operettas of this brave new company's first season are on show this week – Lehar's uneven Count of Luxembourg, a fresh and lively Mikado, and Kalman'n little-known (in Britain, anyhow) Countess Maritza.
Royal Opera House, Covent Garden: The Royal Ballet offers an Ashton triple bill on Wednesday.

WEST GERMANY

Berlin: Deutsche Oper: Lohengrin with Pilar Lorengar and Gerd Brenneis. Der Troubadour, conducted by Herbert von Karajan, has an all-Italian cast. Die Entführung aus dem Serail features Costanza Cuccaro and Rüdiger Wohers. Der Wildschütz has fine interpretations by Helga Wisniewska and Barry McDaniel. (34381).
Hamburg Staatsoper: Rossini's Seramis, in a concert version, is directed by Michel Plasson with Montserrat Caballe in the title role and Francisco Araiza as Idreno. Also Der Fliegende Holländer with Franz Ferdinand Nentwig in the title role. Der Liebestrank, a Jean-Pierre Ponnelle production, brings together Sona Ghazarian and Guiseppe Taddeli. Fidelio with Reiner Goldberg as Florestan and Lisbeth Balslev as Leonore is of respectable standard. (351151)
Frankfurt Opera: June Gard triumphs in the part of Emilia Marty in Janacek's Die Sache Macropoulus. Tosca has Celestina Casapietra in the title role. Der Türke in Italien is a fresh and delightful revival. Elektra has Pauline Tingley in the title role. (25821)
Cologne Oper: Die Meistersinger von Nürnberg has Rene Kollo as Stolzing and Theo Adam as Sachs. Also this week Der Barbier von Sevilla and The Magic Flute with Mariti Salminen as Sarastro. (20761)
Stuttgart Württemmbergisches Staatsoper: Jean-Pierre Ponnelle's Wagner Cycle this week reaches Götterdämmerung with Catarina Ligenoza, Eva Randova and Manfred Jung. Lamberti Gardelli conducts Der Troubadour. Die Lustigen Weiber von Windsor rounds off the programme. (20321)
Munich Bayerische Staatsoper: Die Fledermaus, produced by Otto Schenk with Lucia Popp in the leading role. Die Meistersinger von Nürnberg with Lucia Popp and Kurt Moll. Tristan and Isolde with Spas Wenkoff and Ingrid Bjoner in the title roles. Il Tabarro/Gianni Schicci with Julia Varady and Carlo Cossutta. Manon Lescaut with Raina Kabaivanksa and Giorgio Lamberti completes the week. (21851)

PARIS

Prokofiev's Love of Three Oranges at the Opera Comique (2961220)
Fledermaus conducted by *Ralf* Weikert with Gino Guilico, Ileana Cotrubas, Janet Perry and Siegfried Jerusalem, and Figaro's Hochzeit conducted by Ralf Weikert with Margaret Price and Jose Van Dam. Paris Opera (7425750)
Zauberflöte conducted by Gyorgy Fischer. TMP-Chatelet (2611983)

NEW YORK

Metropolitan Opera (Opera House, Lincoln Center): The week's performances includes Richard Strauss'a Arabella conducted by Erich Leinsdorf, directed by Otto Schenk with Kiri Te Kanawa, Kathleen Battle and David Rendall, as well as La Boheme and the final seasonal performances of Les Contes d'Hoffmann and Un Ballo in Maschera. (5809830)
New York City Ballet (New York State Theater, Lincoln Center): The season continues with the mixed repertory *including works by Jerome* Robbins, Peter Martins and company head George Balanchine. (8705570)

WASHINGTON

Joffrey Ballet (Opera House, Kennedy Center): The company brings a mixed repertoire to its week long programme in Washington. (2543770)

CHICAGO

American Ballet Theatre (Auditorium Theatre, 70 E Congress Parkway): This stop in the national tour of Mikhail Baryshnikov's company includes most of its repertory, among the works the full-length La Sylphide, Push Comes to Shove, Clair de Lune and Prodigal Son. (9222110)

ITALY

Milan, La Scala: Puccini Tryptych.
Venice, La Fenice: Parsifal with Gall Gilmore and Deborah Sasson.
Florence, Teatro Comunale: The Nutcracker with Elisabetta Terrabust; Donizetti's Lucia di Lammermoor.

Arts Week

F	S	Su	M	Tu	W	Th
18	19	20	21	22	23	24

Music

PARIS

Orchestre National de France conducted by Sylvain Cambreling, Philippe Entremont, piano: Cherubini, Bartok, Schubert (Wed). Theatre des *Champs Elysees* (7234777)
Orchestre de Paris conducted by Charles Dutoit, with Elisabeth Leonskaja: Dutilleux' Métaboles, Liszt's piano concerto no 2, Stravinsky's Petroushka, 1st version (Wed, *Thur*). *Salle Pleyel (5638873)*
Claude Kahn: Beethoven, Chopin, Debussy, Liszt (Thur). Salle Gaveau (5632030)
Christian Ivaldi, piano: Haydn, Schubert, Berg *(Mon)*. Salle Gaveau (5632030)
Barbara Hendricks, recital (Mon). Théâtre de l'Athenée (7426727)
Narciso Yepes, guitar (Mon). Salle Pleyel (5638873)
Academy of St Martin-in-the-Fields, Iona Brown as conductor and violin soloist: Handel, Grieg, Vivaldi, Tchaikovsky (Mon). TMP-Chatelet (2611983)
Ensemble Orchestral de Paris conducted by Jacques Houtmann, Gabriel Tacchino, piano, Guy Touvron, trumpet: Haydn, Casanova, Saint-Saens (Tue). Salle Gaveau (5632030)

LONDON

English Chamber Orchestra conducted by *George Malcolm* with Graham Sheen, bassoon. Handel, Vivaldi and Geminiani. Queen Elizabeth Hall (Mon). (9283191)
London Symphony Orchestra conducted by Riccardo Chailly with Krystian Zimerman, piano and Katia Ricciarelli, soprano. Beethoven and Wagner. Royal Festival Hall (Tue). (9283191).
Academy of Ancient Music directed by Christopher Hogwood with Christophe Coin, cello. Haydn. Queen Elizabeth Hall (Tue).
Royal Philharmonic Orchestra conducted by Johannes Somary with Shura Cherkassky, piano. Glinka, Rachmaninov and Dvorak. Barbican *Hall* (Tue). *(6388891)*.
Royal Philharmonic Orchestra conducted by Yuri Temirkanov with John Lill, piano. Mozart, Rachmaninov and Tchaikovsky. Royal Festival Hall (Wed).
London Mozart Players conducted by Mark Elder with Howard Shelley, piano. Mozart, Stravinsky and Haydn. Queen Elizabeth Hall (Wed).
Parikian-Fleming-Roberts Trio: Beethoven, Rawsthorne and Dvorak. Wigmore Hall (Wed). (9309232)
Philharmonia Orchestra and Chorus conducted by Kurt Sanderling with soloists including Heather Harper and Martyn Hill. Brahms and Schubert. Royal Festival Hall (Thur).
Leipzig Gewandhaus Bach Orchestra and London Bach Society conducted by Paul Steinitz. Bach. Queen Elizabeth Hall (Thur).

NEW YORK

New York Philharmonic: (Avery Fisher *Hall, Lincoln Center*): Zubin Mehta conducting, Hildegard Behrens soprano. Schubert, Schoenberg (Tue); Christoph von Dohnanyi conducting, Bella Davidovich piano. Beethoven, Schumann, Trojahn: *First Sea Picture (U.S. premiere)*, Strauss. (Thur). (8742424)
Carnegie Hall: Philadelphia Orchestra, Andre Previn conducting, Vladimir Ashkenazy piano. Haydn, Brahms, Debussy (Mon). American *Symphony Orchestra, Gunther* Schuller conducting Kaori Kimura piano. (Wed). Brigitte Engerer, piano recital. Chopin, Schumann, Debussy, Prokofiev (Thur) (2477459)
American Brass Quintet (Carnegie Recital Hall, 57th & 7th Av): Paul Dunkel conducting, Barbara Martin mezzo-soprano. Bassett, Druckman, Ives, Plog, Welcher (Mon). (2477459)
William Sharp baritone recital (Y 92nd & Lexington Av): Schubert, Loewe, Respighi, Wolf, Ives (Tue). (7592541)
Susan Gulick guitar recital (Merkin Hall, 67th w. of Broadway). (Wed). (3628719)

CHICAGO

Chicago Symphony (Orchestra Hall): Claudio Abbado conducting, Shlomo Mintz violin, Ray Still oboe. Mozart, Berg, Prokofiev (Thur). (4358122)
Pinchas Zukerman violin, Eugenia Zukerman flute (Orchestra Hall): Duo recital (Tue). (4358122)

BRUSSELS

Palais des Beaux Arts: Belgian National Orchestra *conducted* by Henry Rodan with Igor Oistrakh, violin. Chevreuille, Tchaikovsky and Brahms (Thur).

ZURICH

Tonhalle: Tonhalle Orchestra conducted by Hiroshi Wakasugi with James Galway, flute. Schubert, Nielsen and R. Strauss. (Tue, Wed and Thur). (2011580)

VIENNA

Musikverein (658190): Zagreb Soloists. Vivaldi, Villa-Lobos, Shostakowitch, Martinu and Parac. (Wed)
Konzerthaus (721211): Bartok Quartet. Bartok, Schubert, Mozart (Tue); Vienna Symphony Orchestra: Haydn, Shostakowitch, Beethoven. (Thur)

WEST GERMANY

Berlin Philharmonie: London Philharmonic Orchestra, conducted by Klaus Tennstedt. Mozart and Mahler (Wed); Alfred Grendel, piano. Beethoven Cycle (Thur)

ITALY

Rome, Auditorium via della Conciliazione: Conductor Daniel Oren and violinist Igor Oistrach. Weber, Rachmaninov and Kodaly (Sun, Mon and Tue).
Rome, Auditorium Teatro Olimpico: Gustav Leonhardt, harpsichord. Frescobaldi and Bach.

Nicol Williamson, appearing in The Entertainer, at the Roundabout, New York

Theatre

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotely where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (9282252).
Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (8368888).
Yakety Yak (Astoria): Enjoyable pot porri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (4376565).
The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (8362660/4143).
Other Places (Cottesloe): Triple bill of *Harold Pinter plays superbly directed* by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (9282252).

HOLLAND

Mickery Theatre, Amsterdam: Slow Fate by Mike Figgis, an unorthodox play featuring music and projection as well as actors.

VIENNA

Vienna's English Theatre (421260): *Arsenic And Old Lace* (Daily except Sun)
Theater an der Wien (579632): Anatevka (Daily except Mon)

NEW YORK

The Entertainer (Roundabout 23rd & 8th Av) William Gaskill's evocation production of the John Osborne chestnut stars an appealingly shuffling and quizzical Nicol Williamson while bringing the era of the Suez crisis to an American audience with Michael Sharp's headline dominated set. An excellent supporting cast of Humphrey Davis as father Billy Rice and Frances Cuka as Archie's long-suffering wife Phoebe. (2427800).
Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (2470472)
Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (2464636)
Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (2455760)
Crimes of the Heart (Golden): Despite its genial humour, outlandish events and Pulitzer Prize, Beth Henley's story of three Mississippi sisters boils down to a sitcom sensibility full of gags, good acting and frequent phone interruptions. (2466740)
Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women reopens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (5987100)

WASHINGTON

She Stoops to Conquer (Folger): The resident company adds Lucinda Hitchcock Cone as Kate Hardcastle and director Davey Marlin Jones for this production of Oliver Goldsmith's enduring comedy about English rural manners and matrimonial ambitions. (5464000).
Toyer (Eisenhower, Kennedy Center): Tony Richardson directs Kathleen Turner and Brad Davis in Gardner McKay's new tense and twisted murder mystery set on a California tennis court (2543670)
Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (2543770)
The Imaginary Invalid (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc Antoine Charpentier's original music for Moliere's masterpiece about quackery and hypochondria in the ancien régime. (4883300)
Pericles (Terrace): *The Acting Company*, one of America's distinguished travelling regional repertory groups, dusts off Shakespeare'n romantic tale of near and feigned death that reunites the royal family of Tyre. (2549895)

CHICAGO

The Comedy of Errors (Goodman): With Adriana played by world champion baton twirler Sophie Schwab and Luciana by Gina Leishman who has mastered seven musical instruments, this Shakespeare could be nothing but a circus, especially surrounded by the Flying Karamazov Brothers and street musicians and jugglers from across America in Robert Woodruff's lively production. (4433800)
Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (8697278)
E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor. Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (3275588)

Exhibitions

HOLLAND

Diplomatic Relations between the Netherlands and the U.S. are celebrated in From New Amsterdam to New York, a collection of letters, paintings, diaries and photographs reflecting life in earlyy New York. Amsterdam Historisch Museum. Ends April 4.

ITALY

Florence, Palazzo Pitti: One hundred works from Dresden Picture Gallery. Ends March 4.
Milan: Museo Poldi Pezzoli: Zenale and Leonardo: Traditions and changes in Lombard paintings, including Zenale's Immaculate Conception from the Paul Getty Museum, Malibu.

NEW YORK

Metropolitan Museum of Art: Architectural drawings, furniture, photographs and even ceramics comprise the hundred objects of Frank Lloyd Wright's dusted off to accompany the permanent installation of the living room he designed for the Francis Little House. Ends Feb. 27. (5357100)

WASHINGTON

Corcoran Gallery: The latest in the Corcoran's Biennials, a tradition going back to 1907, concentrates on regional artists of the American west with 30 living painters represented by 106 works. Ends April 3.

CHICAGO

Museum of Contemporary Art: 300 works from the superb modern Russian collection of George Costakis preserves the exuberant hopes of cubo-futurism, suprematism and constructivism through the paintings and designs of Kliun, Chasnik, Rodchenko, and Malevich before their extirpation by Stalin. Ends March 13.

LONDON

The National Portrait Gallery: Van Dyck in England – if not unquestionably the greatest, pace Holbein, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, doomed Cavalier grandeur in its final years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. Ends March 20.

PARIS

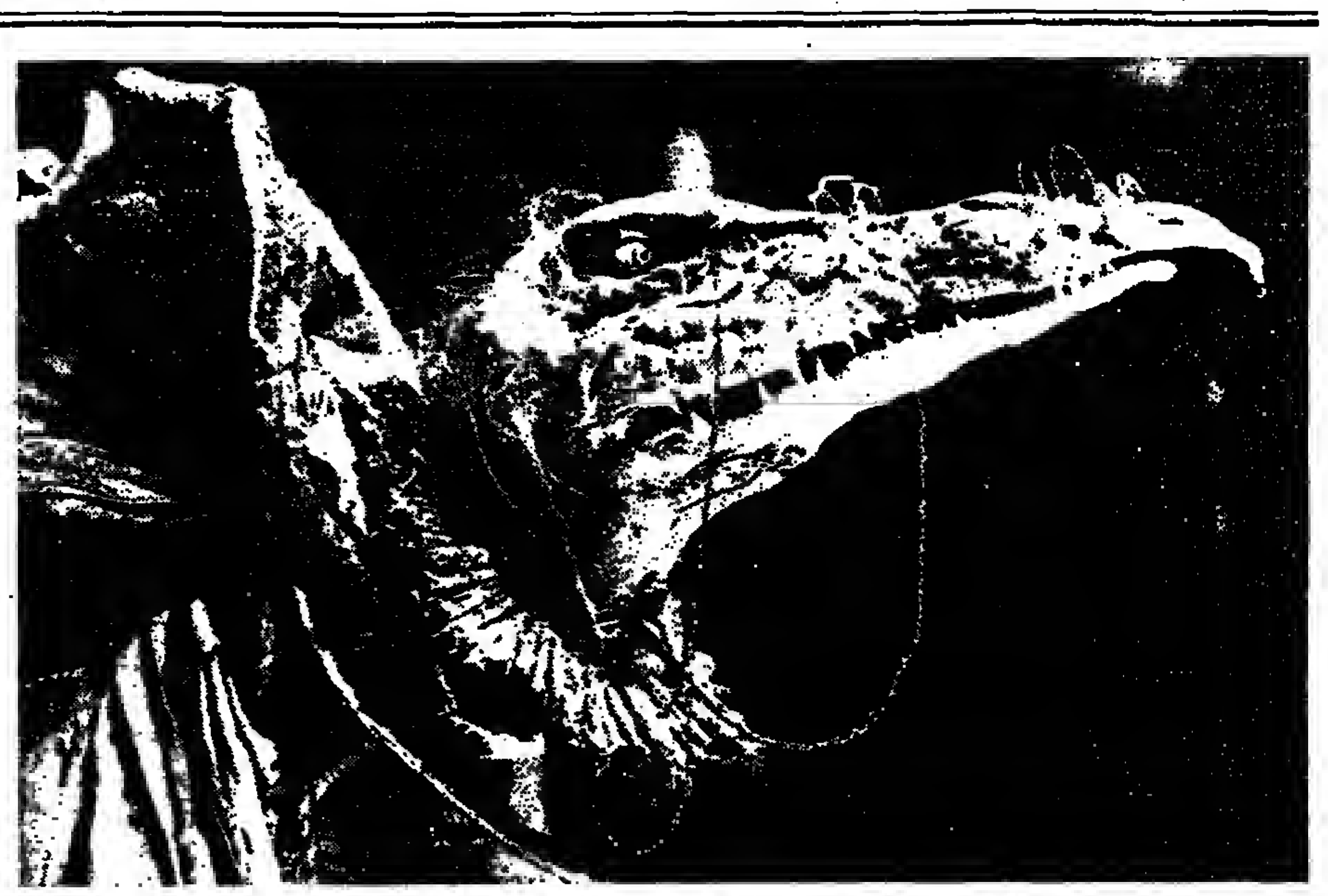
Claude Gellée or *Le Lorrain* (1600-1682), as his name indicates, was born in Lorraine but spend his creative years in Rome. He was a painter of luminous landscapes and a poet of the sea. He influenced Turner and Monet and was admired by Goethe and Keats. His love of nature charmed the English, yet his compatriots failed to appreciate him fully. Thus many of the oils, drawings and engravings in this exhibition, significantly organised on the initiative of the National Gallery of Washington, will be seen for the first time in France. Grand Palais. *Closed Tue. Ends May 16* (2603926)

VIENNA

Künstlerhaus: Aspects of present day art in the Soviet Union from the Ludwig collection. Ends Feb 25.
Wiener Secession: Retrospective of Arik Brauer including oil paintings, gouaches, tapestries, sculptures and jewellery.

WEST GERMANY

Berlin Nationalgalerie, 50 Potsdamerstrasse: Development of video art in West Germany from 1963. Ends March 6.
Munich, Lenbachhaus, 33 Luisenstrasse: More than 200 paintings by the Russian artist Alexej von Jawlensky (1864-1941), and 15 works of friends and contemporaries. Ends April 17
Nuremberg, Kunsthalle, 32 Lorenzerstrasse: This is the only German venue of New American Realism, a much applauded show of paintings, water colours, drawings and sculptures from 1960 to 1980. Ends April 10.



The evil Skeksis historian in a scene from 'The Dark Crystal'

Cinema/Nigel Andrews

Bewitched and bewildered

Identification of a Woman
The Dark Crystal
The Executioner's Song
Fighting Back
A Question of Silence

An Antonioni film promises wizardry. Not the wizardry of movies like *The Dork Crystal*, where ancestral elves fight the mythic fight amid Gormenghast settings; but a *trompe l'oeil* of the everyday, the magic of humanity in ceaseless flux.

In *Identification of o Woman*, a film director (Tomas Mitian) seeks the ideal heroine to star in—or inspire—his next movie. Two young women duly pass through his life, becoming his consecutive lovers and "mysteries." One is redheaded *Mavi (Daniela Silverio)*, with her sculpted, high-boned beauty and mysterious, courtesan-like intimacy with the cabalistic rich. The other is Ida (Christine Boisson), a young actress, bohemian, plain and pretty, horse-riding, who near the film's close brings to his love the challenge of her pregnancy by an earlier lover.

Antonioni dovetails the affairs in a subtle, silvery overlap that make the whole movie a dazzling fuga between two moods, two ideals: the challenge of the homespun and heart-whole versus the lure of the chameleon-unknowable.

At times—espacially with Mavi—the film seems a tragicomedy about the impossibility of evar fathoming the depths of other human beings: however vigorously one *may* share their beds or swap soulful *pensées* across the candlelit dinner. Poetic opacity is the imagistic kay—a foggy country road at night, the misted mirror of the Venice lagoon—and there is a wonderful rueful black comedy in the background play of reticence and whispered secrecy; at parties, in hotel lobbies, in lamp-lit salons and on snaking stairways.

Equally, as photographed with a glassy luminosity by Carlo di Palma and paced by Antonioni with suddan ellipses that leap the boundaries of past and present, the film tells us that every human experience, however subjectiva or fantastical, is "real." Mirages and enigmas sit facing you in broad daylight. (Like the never-identified "thing" in the tree opposite the hero's window—is it a bird's nest or some Sci-Fi object fallen from Heaven?) Identifying things—let alone women—is a fool's pastime. "While we talk here, defining everything" says Milian to a friend, "the world is transforming around us." Here, as in *L'Eclisse* or *Blow-Up* or *The Passenger*, Antonioni is the cinema's great poet of wonder, wizardry and changeability as part of the warp and woof of everyday life.

A lightning swift word in your ear about a great *British* wizard: Nicolas Roeg. His new film *Eureko* was premiered at the National Film Theatre last Sunday and is a spellbinder. It opens in London two months hence, but you should whet your appetite now, and start limbering up your brain-cells, for a movie no less complex and thrilling than Antonioni's. Gene Hackman as a gold-rich Citizen Kane haunted by the death of passion: murder and mystery in a modern-day Aeschylean dynasty; and a film that fissures into new cinematic forms before your very eyes. *Dazzling.*

*

And so with a sigh and a heigh-ho to *The Dark Crystal*. Muppet worshippers come no more devout than I, but this folk loric forny from Jim Henson and Frank Oz—creators of Kermit and Miss Piggy—is a fearful trudge. Two Gelflings, who resemble Barbie dolls with pointed ears, seek to restore the "lost shard" to the eponymous crystal and thereby re-knit the sundered races of the Skeksis (bad) and the Mystics (good) under one homogeneous moral cosmos.

A credit list as long as the Dead Sea Scrolls testifies to the labour-intensive nature of the production. But dividands are paid only in the design and creation of the two showpiece races, who have a happy grotesquerie. The Skeksis boast darting and gargantuan toucan-heads, dry cracked voices evidently ravaged by Guinnlessness and bodies dressed in voluminous Shakespearean cast-offs. The Mystics bend double over their staffs, flavour floor-length shredded leather as costume and have lovably prognathous faces resembling Jonathan Miller in pensive pose.

So far so fine. But the story stacked up around these creatures *is* a heinous old plod —Tolkienist whimsy elongated like mystic chewing-gum—and the Gelfling hero and heroine are like the worst of Disney's animated milquetoast juveniles. Last and by no means leniently, cameraman Oswald Morris should be summoned to attend a Skeksis' tribunal to answer charges of under-resourcesful lighting. Key set-pieces—a giant astrolabe, a Skeksi banquet—are so flatly, drably lit that the decorative ingenuity of art director Brian Froud *goes* for nothing. (A little smoke and chiaroscuro throughout would surely have helped pump some enchantment into the movie?) All in all, a long mystic miss.

*

The Executioner's Song is the latest instalment in the post-mortal apocrypha of executed murderer Gary Gilmore. After Norman Mailer's book, Mailer's screenplay: here directed by Lawrence Schiller, who first started the Gilmore-Mailer ball rolling when he won exclusive interview rights with the condemned man in jail, and starring Tommy Lee Jones. Jones is a magnetic field of tics, twitches, glowers and thundery scowls atop an oddity of a walk —bevel-hipped, arms hanging straight, tippy toe—that strikingly (and accidentally?) characterises Gilmore as a mixture of macho auto-pilot and insidious effeminacy.

The movie is not as good as it could have been (with, say, Arthur Penn directing). But it's far better than it might have been, given Schiller's history of hot copy stop-at-nothingism. It ploughs on with caterpillar tracked indifference through murder and horror—only compare Capote's *In Cold Blood* which made one *feel* for the victims—but at least it seldom strays from the eerily credible: the tangy, the tangible, the local.

*

Two problem pictures from opposite ends of the world complete the week. In Michael Caulfield's *Fighting Bock* the problem is hellraising teenager Tom (Paul Smith) who won't conform to Australian society. Despite this clear indication of total sanity, he is taken in hand by ever so kindly teacher John (Lewis Fitz-Gerald), and large platefuls of good-for-you liberal mush are served out to the audience.

In *A Question of Silence* from Holland, *the problem is* writer-director Marlene Gorris. She tosses a surreal and Mephistophelean plot-catalyst at us—three lady shoppers beat a male store-owner to death when he esples one of them in the act of shoplifting—and then opts ever after for docu-drama realism as an inquiry is conducted into their former lives. The result is a pancake-flat fable on feminism with a few interesting twitches early on.

Kent Opera spring season

A new production of Mozart's Don Giovanni, sponsored by Barclays Bank, opens the 1983 spring season at the Assembly Hall, Tunbridge Wells on March 10 with a second performance on March 12. This will be the first time Barclays has sponsored a Kent Opera production although it has helped the company in the past.

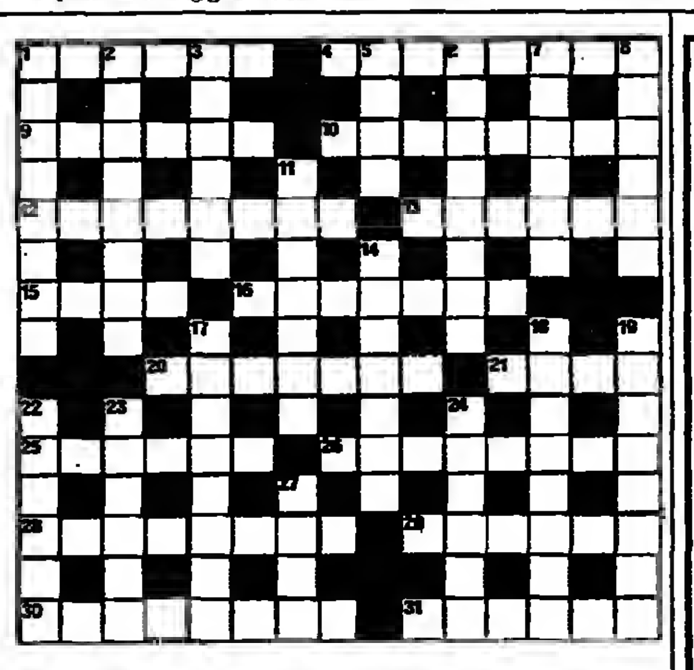
Don Giovanni is produced by Adrian Noble, an associate director of the Royal Shakespeare Company, who is working in opera for the first time. The conductor is Peter Robinson, assistant music director of English National Opera and the designer Bob Crowley.

Don Giovanni will be joined at Tunbridge Wells by Jonathan Miller's production of Beethoven's Fidelio which is sponsored by Sainsbury's (first performance on March 11).

This is the second new production to benefit from Sainsbury's three-year commitment to the work of the company, the first being the successful production of Handel's Agrippina seen in the 1982 spring and autumn seasons.

Nicholas Hytner's production of John Gay's The Beggar's Opera, which was seen in the autumn season, joins Fidelio and Don Giovanni in repertoire and has its first performance at the Theatre Royal, Brighton which the company will be visiting for a third successive season (March 15-20). Tha company then returns to Southsea (King's Theatre, March 22-26) for an eighth season and then moves to the Theatre Royal, Norwich (March 28- April 2).

F.T. CROSSWORD PUZZLE No. 5,101



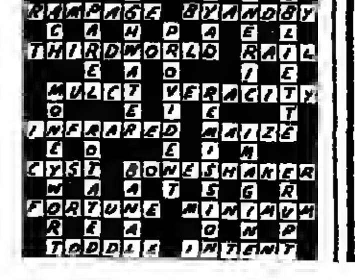
ACROSS

1 My wish is for something fancy (6)
4 Games period (8)
9 Bank employea who provides one with accounts? (6)
10 Ten girls gone astray, yet still of excellent character (8)
12 They have thair teeth on edge (8)
13 A wool-gatherer perhaps (6)
15 Lois becomes a medium (4)
16 Small cask for fresh water—or sea-water? (7)
20 Still a variety of sausage (7)
21 Notes seating is provided (4)
25 He joins a 100 twitching and feverish (6)
26 Uniformed footmen (8)
28 Strangely, in matter of discipline he's strict (8)
29 Girl to finish in her underwear? (6)
30 Shoulder no responsibility! (5, 3)
31 Move fast after take-off (6)

DOWN

1 Battle station (8)
2 The converse of indolance (4, 4)
3 Observe the cook in hot water? (6)
5 Many may be lost (4)
6 Monkey causing soma flurry in the market (8)
7 It is suspended when it is very cold (6)
8 Followed in a persistant way (6)
11 It's important to one's standing as a rider (7)
14 Falling behind in providing winter insulation? (7)
17 Here's hoping I spring a surprise (8)
18 Don't give up getting the unit back in shape (8)
19 Stewing steak, say, is a simple job (4, 4)
22 He gets a zero in maths, perhaps (6)
23 He puts up the points or puts them down (6)
24 Bird often held in cage or trap perhaps (6)
27 The knot sailors avoid (4)

Solution to Puzzle No 5,100



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Friday February 18 1983

The Fed returns to pragmatism

MR PAUL VOLCKER'S testimony to the Senale Banking Committee on Wednesday did not contain any great surprises, but it seems to have come in some quarters as a nasty shock. The Federal Reserve chairman confirmed in unusually clear words wbat has been evident in Fed actions for some months now: policy is now aimed to facilitate an economic recovery. The monetary variables are still measured and subject to formal targets; but after a period in which policy has proved far more deflationary than was intended, and of large structural changes in banking, they are no longer mucb of a discipline.

However, this policy has now encountered something of a roadblock. The Fed's aim in adopting an accommodative policy, and in enabling the banks to maintain their reserve growth without being forced to the discount window, has been to reduce interest rates; but the markets have begun to resist.

The last cut in the discount rate, the Fed's official signal rate, caused a fall rather than a rise in the bond market. After this experience, said Mr Volcker, in his one relatively unexpected admission, the Fed will be reluctant to tead rates down so forcefully. He simply hopes that the market will bring them down as inflation declines, and as confidence grows that it will stay down.

This is not a very robust pbilosophy, and those who babitually look to the Fed for miracles of one sort or another have been disappointed.

Ardour

The Wall Street equity bulls, who were relying on further officially-inspired falls in interest rates, bave lost a little of their ardour. The foreign exchange markets, concluding that the Fed will not permit any rise in rates, even if it cannot engineer a fall, see less upside potential in the dollar. The monetary doctrinaires, who expected the Fed to keep a fixed monetary hanner flying in a turbulently changing world, have already denounced wbat they see as a retreat into fine-tuning and Carterist pragmatism.

Monetary policy has to hold a balance between domestic and foreign considerations, between the need to restrain inflation and the danger of stifling recovery, and so almost by definition it can never please everybody. The cynical, then, might conclude that since Mr Votcker bas apparently pleased nobody, be must have got it about rigbt.

We would support that judgment, though for rather more romplicated and positive reasons. The fact is that the Reagan Administration has faced monelary policy with two internal rontradictions. The rontradiction between tight monetary and lax fiscal policy has been discussed *ad nauseam*, and Mr Volcker showed a sound sense of proportion in saying that the 1983 deficit, in a deep recession, is relatively acceptable. The real challenge is to cut the prospective deficits for future recovery years—the "out year deficits," as the current jargon has it.

Competition

The second contradiction in Reaganomics has been rather less widely remarked, but it is this which has really forced Mr Volcker to ahandon targetry: it is the simultaneous demand for tight monetary control and financial deregulation. The new competition for deposits between the hanks and the various funds wbicb allow the small depositor access to the money markets has produced an explosive growth in various kinds of deposits included in the different monetary definitions. Some studies suggest that the underlying growth of money, allowing for these changea, bas been in the 3-5 per cent range for the last two years; the tigbtness is explained.

Pragmatiam about targets, then, seems well justified; but is the Fed's resignation in face of the bond markets equally realistic? British experience suggests that it may not he. The combination of monetarist worries and crowding-out worries makes a strongly depressant brew; but indexed funding, as practised in London, seems to reduce its potency. Equally, tax subsidies to borrowers belp to make high interest rates tolerable at home, but thereby creates grave problems abroad. It would be reassuring to think that the new pragmatism embraced such radical thought.

Washington and the Third World

LAST WEEK'S increase in International Monetary Fund quotas will help those developing countries rich enough to get into deht. Tbe West cannot forget tbose countries too poor to borrow significant sums abroad. For countries such as Bangladesh and Mali the only dependable source of finance coupled with expertise bas been the International Development Association (Ida), the soft-loan window of the World Bank. Today Ida's ability to continue its work depends largely on Washington.

The Reagan Administration has just asked Congress to find an extra $245m for Ida. This is a small sum, equivalent to about 10 hours' military expenditure by the Pentagon. But the fate of this appropriation will have a disproportionate influenceon the future flow of funds which Ida can deploy to help the 2.5bn poorest people in the world.

The 24 countries which contribute to Ida are trying to work out how much they will pledge for the association's operations in the three years July 1984 to June 1988. But their deliberations over Ida's seventh replenishment are taking place under the shadow of continuing uncertainty over the outcome of the sixtb one.

Unconvinced

In this they pledged $12bn, of which the U.S. share was $3.24bn, over three years. The Reagan Administration, unconvinced of the value of such aid, reneged on this agreement and decided to spread the U.S. contribution over four years. Other members of Ida then agreed to top up its funds by $2hn to allow it to continue operating for a further year, even if at a reduced level. But the continuing lack of enthusiasm of the Reagan Administration has meant that it failed to fight in Congress for the funds necessary for complete disbursement of its existing stretched-out pledge. The $245m represents what Congress cut fcom the Administration's aid request for Ida in the current U.S. fiscal year.

The EEC wishes to highlight the importance of this sum and is preparing a demarche to Washington. If the U.S. Administration is not prepared to press Congress to increase its 1983 appropriations from $700m to $945m there will be a still greater problem next year in persuading Congress to find the $1.34hm then needed to complete the sixth replenisbment.

The U.S. accounted for 27 per cent of this sixth replenishment and the continuing uncertainty over future U.S. contributions is a hlow to bopes of Ida playing as valuahle a cole in coming years as it has in the recent past. Ida's net transfers to the Third World run close to those of the World Bank. In 1980 it covered 10 per cent of the current acrount deficits of the low income countries and 80 per cent of its lending was to sucb countries, compared with only one-third of the aid extended on a bilateral hasis.

Challenge

Further while multilateral aid may be unpopular witb many Western governments, few would deny that Ida has been a particularly effective aid agency. It was largely responsible for transforming the course of agriculture in the Indian subcontinent. The rate of return on its projects has been sufficient to convince Mr Tom Clausen, the ex-banker who is now president of the World Bank, of Ida's value for money. And, hy handling credits to the poorer countries, it bas kept many of these off the World Bank's books.

Today Ida faces a double challenge—of dealing with areas of the world such as sub-Saharan Africa, whicb bave been particularly bit by the world recession, and of handling the development demands of 1bn people in China, the World Bank's largest new member. These factors and inflation mean that Ida would need about $30bn in its next three-year replenishment to maintain its existing real rate of lending.

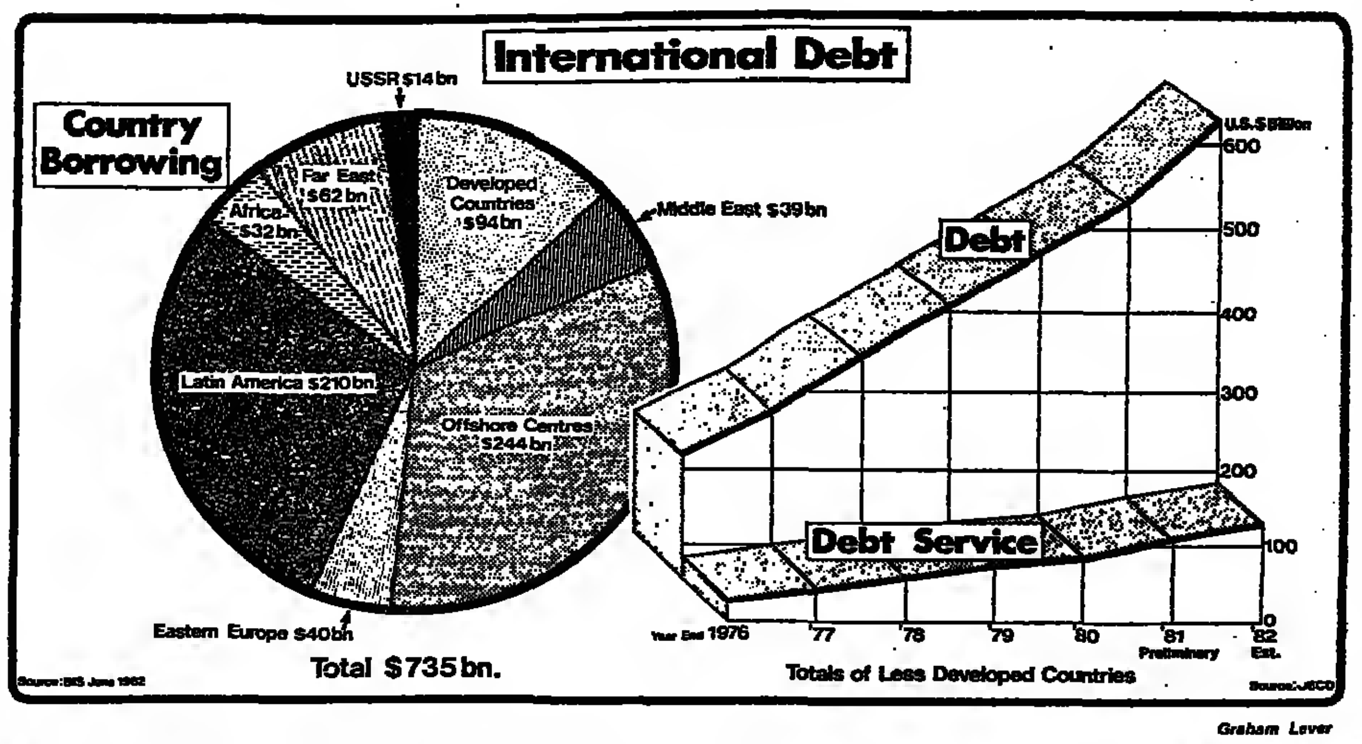
It is unrealistic to expect such a figure to emerge from the negotiations on Ida's future which will be continuing through the spring. To give one example. If that target were agreed and if Britain maintained its 10 per cent share of contributions to Ida (which is somewhat unlikely), Ida alone would be accounting for around 40 per cent of Britain's aid programme.

But if the pledges are not to fall far sbort of this total, a clear lead fcom Washington is required, rather than vacillation over small sums of money already promised but not provided.

INTERNATIONAL BANK DEBT

Of profits and imprudence

By John Plender



Graham Lever

INTERNATIONAL banks and their auditors are in a profound muddle over the accounting treatment of sovereign debt. All confront the same problem; all are producing divergent answers. That much is already clear as the bank reporting season gathers pace.

Witness:

● Few of the larger U.S. banks have made significant provisions (reserves in American parlance) against loans to sovereign borrowers. Indeed some with beavy commitments in Latin America, such as Citicorp and Chemical Bank, bave reported huge increases in 1982 earnings; many are expected to raise their dividends to boot. Wby, ask sceptical Congressmen in Washington, is U.S. taxpayers' money being used to bail out Mexico and Brazil, so rescuing the American banking system, if U.S. banks are so profitable?

● In Europe this week Libra Bank, the biggest of the London consortium banks specialising in lending to Latin America—popularly supposed to be the bankers' graveyard—cheerfully declared a massive 39 per cent increase in pre-tax profits. The preliminary announcement took the wise precaution of pointing out that the full accounts (due next week) carried an unqualified audit report. On paper Libra is one of the most profitable hanks in the world, in terms of its return on equity and on assets. Yet general manager Mr John Finch admits that a high proportion of the loan hook consists of rescheduled debt. What do the figures mean?

● The British clearing banks, whose reporting season begins today with Lloyds Bank's results, are widely expected to raise their dividends, despite greatly increased provisions for had and doubtful debts. Barclays, wbich most brokers expect to disclose the biggest fall in profits, has promised to increase its dividend hy 20 per cent. In contrast leading West German hanks are expected to persist with a more gingerly approach to distrihutions.

To a financial innocent, this might appear to suggest that some banks really do think that they can fool all of the people all of the time. There must, after all, be a link between the fortunes of banks and their clients; and, we are now in the worst economic and financial crisis since the 1930s—when, incidentally, more than three-quarters of outstanding Latin American debt had gone into default hy mid-decade. So what are the banks up to?

The different views of bank profitability reflect, among other things, a lack of co-ordination between regulatory authorities around the world; also the failure of the accountancy profession to develop, in conjunction with the regulators, a coherent approach to hanking provisions. Many international hanks still choose not to disclose their own estimate of true profits. Even in Britain leading merchant banks take advantage of legislation permitting the accumulation of hidden reserves.

Traditionally banks create both general and specific provisions for bad and doubtful advances. The specific ones are made in relation to individual loans which are regarded as wbolly or partially irrecoverable. The general ones tend to reflect broader perceptions, usually based on past experience, of wbat overall had debts will turn out to be. Beyond that, there is considerable latitude; judgements are subjective. Hence the confusion.

In the past banks have often made specific provision for "country" loans, where the advance to a foreign undertaking is not underwritten by the state. But until the Polish crisis "sovereign" loans, carrying the imprimatur of the state, rarely attracted specific or even general provisions except where countries had actually repudiated debt or reached the point where they were so fundamentally overindehted as to make ultimate repayment questionable.

The working assumption was that sovereign states did not go bust. And it is that assumption that underlies the thinking of U.S. banks that have reported big profits rises.

High banking profits are arguably consistent with a view of the banking crisis that places the emphasis on short-term liquidity. If we are merely concerned with a loss of confidence and a temporary outflow of capital, and if the basic earning capacity of the countries concerned is not greatly impaired, the bankers will get their money back; repayment has simply been deferred.

Most American banks subscribe (in public) to this argument—and bolster it by pointing out that Uncle Sam has prevented Mexico and Brazil from going bust. Sotto voce, they admit that heavy provisioning for Latin American debt would have a devastating effect on bank profits, and perhaps also on confidence in the banking system. This remains fragile. So do the banks themselves: this week saw the closure by Federal regulators of the United American Bank of Knoxville, Tennessee—no minnow with $1bn of assets—after large loan losses.

> Bankers and auditors are fiddling while the banking edifice threatens to burn

The equity capital of the world's top 100 hanks is estimated at some $160hn, while Latin America alone bas outstanding deht of more than $200bn. Far easier to tell the world that rescheduling sovereign debt is bighly profitable, than to ponder how much of that $200bn should be written down.

The trouble with this approacb is that it ignores the wider economic picture. Even if the increased external debt of developing countries (see chart) is charitably assumed to have financed increases in productive capacity instead of increased consumption, the debt mountain cannot be serviced in a world of contracting trade, stagnant economic activity and potentially increasing political instability.

In the absence of a good old fashioned economic recovery, which would provide the debtors with expanding markets in the developed world, and in the absence of lower real interest rates, the hook value of rescheduled sovereign deht is unrealistic. The crisis is not just ahout liquidity, but ahout solvency, high real interest rates and contracting credit.

A further weakness in the Panglossian case lies in the terms on which much sovereign debt is being rescheduled. As well as widening their "spreads"—the margin between the cost of inter-bank borrowing and interest on the loan—hanks are piling on fat fees for rescheduling and for fresb loans. The justification for punishing borrowers in this way is that higher rewards are called for to cover increased risks. But if the risks are greater, surely the need for provisions is greater? Certainly it does nothing to relieve the deht problem.

Nor can Uncle Sam's continuing largesse be taken for granted as the crisis rumbles on. Recent U.S. reluctance to go along with demands for a 50 per cent increase in IMF quotas reflected genuine Congressional pressure. Some politicians saw no reason to safeguard American banks from their own folly via the IMF with taxpayers' money when Americans were standing *in soup queues. The terms of* future rescues may be less favourable to banks.

In Europe there is a more widespread acceptance of the need for provisions against sovereign debt. And in Britain this reflects compliance with the accounting principle of prudence, which has been written into law since the Companies Act 1981. Many bankers and auditors accept that it would be imprudent hlithely to assume that an economic upturn will take us all off the hook, especially when the banking crisis itself acts as a constraint on recovery. But what is prudent? Even Libra, virtually all of whose loans are either to Latin American governments or banks, claims "prudently" to bave doubled its provisions before striking its huge profits increase.

Little help has been forthcoming from the supervisory authorities. In November, the Bank of England's chief regulator Mr Peter Cooke said that in relation to International loans, banks would need "to consider prudent provisions, general or specific, according to judgments in particular cases, to deal with deteriorating asset values." More pungently, he added: "They will also need to consider the appropriateness of the maximum possible retention of profit to reinforce capital resources, if necessary at the expense of liberal distribution policies."

This last remark is thought to have intensely annoyed some clearing bankers. And in the meantime the bank has declined, at a meeting with bank auditors before Christmas, to put auditors out of their misery by giving guidance on the degree of risk in particular countries. The Old Lady believes that divergent views between the banks are healthy.

What, then, are the specific problems that banks and auditors face, in making provisions? On the income side, there is the question of whether to accrue income when the sovereign deblor is having difficulty meeting interest payments (and is probably paying them out of further borrowing). Should interest be included on a cash basis, or should provision be made against the accrual? Does prudence require banks to provide also against the cost of financing non-performing loans?

A second problem concerns management fees. There is a strong temptation to take both management and participation fees on rescheduled loans straight into profit. Yet prudence surely dictates that these should be spread over the lifa of the loan, or perhaps even related to capital repayments. Since there is no standard treatment, the banks take their choice.

On the capital side the bankers simply have to decide which of their rescheduled loans look like being perpetually rescheduled. While prudence would appear to call for potential losses to be acknowledged as soon as they arise, the absence of standard accounting practice may mean that hankers will be tempted to amortise provisions over a period of years and argua with the auditors.

Bankers and auditors appear, then, to be fiddling while the banking edifice threatens to hurn. And some outsiders believe that they should be working harder to strengthen provisions and reserves in order to put trouble out of the way as quickly as they can.

One concrete suggestion, made recently by IBCA Banking Analysis, the London-based hank rating service, is that banks should adopt a policy that specifically recognises that the crisis is not so much about over-indebtedness as high interest rates. Why not, it argues, decide on a tenable long term nominal rate (say of 5 per cent) and apply any excess over that figure in the interest rate negotiated on loans in setting up provisions? So if an interest rate of 12 per cent was charged, 5 per cent would go into revenue, while 7 per cent would be used for provisions.

Mr Colin Brown, of accountants Price Waterhouse has argued recently that there conld be a case for discounting future repayments of principal on rescheduled debt to present value, in order to establish a base for providing against loans. Mr Brown also puts a powerful plea for more disclosure on non-performing loans.

For the moment, however, this is so much futurology. While the 1982 crop of bank accounts may satisfy the auditors, they are unlikely to be taken at face value hy everyone else. Until the banks confront more directly the need to make realistic provisions, the pcoblem of credibility will remain.

Men & Matters

Robot aggro

A robot manufacturer I met recently likes to refer to his creations as "those cbeeky little fellows."

The Japanese, with the biggest and fastest-growing robot population in their factories, are now discovering that among the robot ranks are some dangecous young rips as well.

The government bas gathered first statistics of a new industrial hazard—deaths and injuries to humans caused by robots.

A survey covering 190 Japanese robot-using factories turned up evidence of two workers fatally crusbed between robot arms and other machinery, and nine injury cases from similar causes. A further 37 workers had become entangled with robots and other equipment but had escaped unhurt.

"Unfair to robots" . . . I can almost bear the clamour. After all, you can bardly blame machines for bad behaviour when they are built and controlled by humans.

In fact, the Japanese investigators are blaming the accidents upon poor management of the robots.

The robots that have given trouble were mostly installed in conventional factory lay-outs dating from the pre-robot era. The space allowed for the robots to operate was apparently over-generous so that bumans in the vicinity found it difficult to follow the robot's movements properly and take avoiding action.

Labour minister Akira Ono now intends to change the Japanese labour safety regulations to take account of robot antics. He also wants to make it compulsory for companies to provide human robot inspectors.

But . . . . wait a moment. Were not robots designed to replace humans?

"As a matter of fact, I'd never touched it until the distillery redundancy party"

Eternal bonds

Instead of ruefully contemplating the worst investment you ever made and groaning "It's not worth the paper it's printed on," take heart and put the share certificates or bonds in a safe place.

After a shaky start a few years ago, followed hy a couple of false dawns, the market in husted bonds and unhonoured share certificates is settling down. London valuers are claiming they can now put reasonahly precise values upon some of the old paper.

When Phillips holds its next sale for this comparatively new corner of collecting on March 10 its bonds expert Cliff Connick expects a Chinese Imperial Government 1898 4½ per cent Gold Loan £500 Bond (issued by the Deutsch-Asiatische Bank) to make up to £2,000. That forecast neatly illustrates how the market is finding solid ground. Three years ago the same bond fetched £14,000 during a short period when values were wildly inflated.

Most of the bonds and certificates on offer will sell for £50 or less. Phillips expects the whole sale to realise about £10,000.

Offerings will include a handsome share certificate on vellum for the Thames and Severn Canal Navigation dated 1809, a certificate for the North Cornwall Silver, Lead, and Tin Mining Association (1835), and the oldest piece of financial paper in the sale—a 1699 French bond issued by the Keeper of the Royal Treasury.

Very few certificates or bonds issued this century have yet found their way on to the collectors' market.

It is clear that owners of bonds and shares are not prepared to sell them off as curios until almost a century after the venture bas folded.

Hope, it seems, springs only slightly sbort of eternal.

Italian job

Though its own economy lags behind most of its partners, Italy has kept its grip on the top joo in the European Commission's directorate-general for economic and financial affairs.

After doing the job with some distinction for the past three years, Tommasso Padoa-Schioppa is returning to the upper echelons of the Banca d'Italia in Rome. And another Italian, Massimo Russo is being drafted into Brussels from the International Monetary Fund in Washington.

Russo has spent nearly 20 of his 44 years in international organisations. He put in bis first spell at the IMF between 1964-72 as an economist in the Africa Department to which be returned as bead of division and assistant director in 1974.

The two years in hetween were filled with studies of the *Japanese and Swiss economies* as a principal economist at the OECD in Paris.

Now deputy director general in the administration department of the IMF, the only gap in his experience would seem to be any specialist knowledge of the EEC.

This may turn out to be an advantage if Russo is capable of bringing a new approach to the prohlems of economic co-ordination within the Community. Some of his colleagues-to-be are paralysed with caution when it comes to counselling member states. A touch of the IMF's straight-from-the-shoulder treatment of economic policy shortcomings would not go amiss in Brussels.

No such word

That wonderful Whitehall propensity for examining every situation from all directions led to the commissioning fcom City accountants Robson Rhodes of a report into the first 50 financial failures under the government's loan guarantee scheme.

Publication, planned for yesterday, was halted at the last moment, I am told, hy Mrs Thatcher herself.

It badn't a cbance from the moment ber eye caught the word "Failures" in the title. No report on failures would be associated with her government, the civil servants were made to understand in brisk fashion.

Actually the scheme bas been a great success. Tbe hanks have advanced £150m backed hy government guarantees in three years. And more government hacking is likely to be promised in the coming hudget.

It seemed a natural thing to the Whiteball warriors that they should worry over the few failures that had occurred.

They have learned a sharp lesson. Failure in business terms is something to be analysed. Failure in political terms cannot be considered.

Batty question

Covent Garden graffito: "Why should Fledermaus Die?"

Observer

POLITICS TODAY

Why the general is worried

By Malcolm Rutherford

MANY OF the key figures involved in Western defence and arms control negotiations gathered in Munich last weekend—Mr William Clark, the assistant to President Reagan for national security affairs; General Rogers, the Supreme Allied Commander, Europe; Dr Manfred Woerner, the West German Minister of Defence, and his predecessor, Dr Hans Apel, were all there, and a great many others besides.

The occasion was the 20th annual meeting of the *Wehrkunde*, a virtually untranslatable German word which means roughly a meeting of people who are interested in military affairs.

The *Wehrkunde* is heavily German-American. The British, the French and a few others, like the Turks, the Norwegians and the Canadians, get a look-in, but only just.

Nothing wrong with that. The American commitment to the defence of West Germany is essentially what the Atlantic Alliance is all about. In comparison with that central relationship, questions about the future of the British or French independent strategic forces are peripheral. Thus it is always interesting to hear what the Germans and Americans have to say to each other.

The news from Munich is that they are not as close as they might be. Herr Egon Bahr, once a close adviser to Chancellor Brandt on the *Ostpolitik* and still a leading member of the Social Democrats, shocked the conference by declaring that it was necessary to have a defence relationship not only with the U.S.; but also with the Soviet Union. He argued, too, that the deployment of a new generation of nuclear weapons in West Germany, under almost any circumstances, might lead to civil resistance. Herr Bahr is a German nationalist with (I think) a small "n."

For the Americans, Mr Paul Nitze, their chief negotiator at the talks with the Russians on intermediate nuclear forces (cruise missiles and so on) in Geneva, gave not the slightest hint of an early change in the U.S. position. Neither did Mr Edward Rowny, his counterpart at the parallel talks on strategic arms reductions between the U.S. and the Soviet Union.

Both men read out carefully prepared statements saying that the American position was well-known and that the next move was up to the Russians.

Yet the most dramatic interventions came from General Rogers who said that he was leaving the conference "confused and discouraged" — and that about a meeting where about 99 per cent of the participants must have been on his side.

General Rogers's principal complaint is about lack of political guidance on what he is supposed to do, as supreme commander of allied forces in Europe, in the event of a Soviet attack.

He says that if the attack were launched by conventional (that is, non-nuclear) forces, he would have to request permission for a nuclear response at a fairly early stage. Resort to massive nuclear retaliation might be delayed by x days, but x, he argues, is now a very small number. Thus he claims that Nato has reverted to a "delayed trip-wire strategy," under which any response even to a conventional attack would virtually have to be nuclear.

The doctrine of flexible response, under which Nato has the option of meeting a Soviet attack by any means it thinks fit — conventional or otherwise — is still acceptable, but only if capable of implementation, he says.

"Implementable" has become a key word in current defence jargon. General Rogers thinks, if I do not oversimplify, that flexible response is becoming difficult to implement because of the inadequacy of Nato's conventional forces.

Apart from a better use of existing resources and taking advantage of new technologies, he would like each member of the Alliance to raise defence spending by 4 per cent a year in real terms, despite the fact that only Britain, Norway and the U.S. have met the present commitment of an extra 3 per cent. This additional burden, he says, is "reasonable and affordable." It would mean only about another £10 a year from every taxpayer—cheap at the price for raising the nuclear threshold, the moment at which Nato might have to resort to nuclear weapons in response to a Soviet attack.

General Bernard W. Rogers, Supreme Allied Commander, Europe

His complaint is about a lack of political guidance on what to do if there is a Soviet attack

So much for the summary; now for some comments. First of all, not even the new Conservative-led coalition in West Germany is conforming with the present 3 per cent target. As was pointed out by Dr Peter Corterier, the former Social Democrat deputy Foreign Minister, practically all Western governments have problems with public expenditure. That indeed is one of the main issues in the current German election campaign.

These problems will multiply so long as there is no significant resumption of economic growth and so long as they remain committed to implementing past pledges on social security. It is therefore unlikely that many more resources will be given to defence.

There are also defence arguments why it should not be necessary. The gain from spending rather more money on a capability to prolong conventional warfare for weeks rather than days is not immediately obvious. Nato already has a defence doctrine called deterrence. In old-fashioned terms it would be known as the balance of power. Nowadays it is based on the uncertainty created by the possibility that one side, if threatened, might use nuclear weapons first. That uncertainty deters.

We should not run away from that fact. Even if there were to be the most dramatic progress in arms control negotiations, there would still have to be a balance of power to keep the peace and there would still be some nuclear weapons. The insistence on the need for more money for conventional defence seems to me to be an attempt to meet the peace movement by promising that if war occurs, it will remain conventional for a few days longer. It is a weakening, rather than a reinforcement, of the theory of deterrence.

That is why the Anglican bishops got it so wrong at their Synod last week. They voted against unilateral nuclear disarmament, or thought they did. Then they voted in favour of non-first use. Yet to take away the uncertainty stemming from the possibility of first use is to abandon deterrence. Mr Roy Jenkins, the leader of the Social Democratic Party, came close to embracing the same fallacy in a recent speech at Chatham House.

No early use of nuclear weapons is another matter because it goes, or could go, to the heart of arms control negotiations. There are battlefield (short range) nuclear weapons scattered around central Europe which, in the event of conflict, could be used without political guidance. Here one understands General Rogers's complaint.

Yet here, too, is an opportunity. No negotiations on short range nuclear weapons are taking place. General Rogers is completing a review of the deployment of such weapons in Western Europe and is likely to conclude that some are redundant. But, in a memorable phrase, he wants to "stuff them in Mr Nitze's hip-pocket" to see that Nato gets something in return. That would be unlike the American withdrawal of around 1,000 nuclear warheads from Europe in 1979 which passed virtually unnoticed by either East or West and was not reciprocated by the Soviet Union.

My own conclusion is that not only should there be negotiations on battlefield weapons to complement the talks on intermediate range and strategic forces already going on in Geneva. There should also be something much bigger, bringing together all existing negotiations and adding new ones.

It is sometimes said that President Reagan and Mr Yuri Andropov, the new Soviet leader, should hold a summit meeting, if only to get to know each other. Yet as Dr Franz-Josef Strauss pointed out in Munich, the possibility of their failing to reach agreement could be disturbing.

It is also often alleged that there is insufficient co-ordination between the two sets of Geneva talks. Ambassador Rowny made a fairly convincing rebuttal in saying that he was in touch with Mr Nitze every day, that their staffs worked together and that there was a common back-up in Washington. One assumes that the Soviet delegations are similarly co-ordinated.

Yet at least until Ambassador Rowny made his intervention, most of the participants—even in a specialists' conference—thought that the negotiations on intermediate range and strategic weapons were being conducted on separate and unrelated tracks. If there is co-ordination, it is not visible.

The way to bring the negotiations together would be through a kind of supervisory board headed by Mr George Shultz, the American Secretary of State, and Mr Andrei Gromyko, the Soviet Foreign Minister, or his putative successor, Mr Anatoli Dobrynin. They would announce publicly that they would meet every three months or so to review progress in all arms control negotiations with the firm intention of reaching agreement. Without that overlying structure the outlook is not encouraging.

The most impressive political contribution in Munich came from Dr Strauss who, rather like Mr Denis Healey in Britain, has blossomed as he has lost the quest for the party leadership. He said that the best solution to the cruise missile crisis would be for the Soviet Union to accept the status quo minus x and for Nato to go for the status quo plus y, which presumably will be the outcome. Even some East Europeans now accept that he would make rather a good West German Foreign Minister; so do some West German Social Democrats. That depends on the Christian Democrats winning an overall majority on March 6.

Lombard

Problem facing the Big Four

By Nicholas Colchester

WHILE the international debt management crisis is more or less under control there appears still to be a period of protracted strain ahead.

The problem is that the prime source of relief — falling interest rates — may well have dried up for the moment, while the secondary source — falling oil prices — does not have as much impact as one would imagine.

The debt problem was well analysed by the OECD at the end of last year. Their portrait of international debt was dominated by four countries — Mexico, Brazil, Argentina, South Korea — to such an extent that one can be excused for saying that these countries are the debt problem.

The OECD pointed out that:

- The Big Four account for 85 per cent of the net floating rate bank debt of the developing world outside Opec (net means loans less deposits).
- Two-thirds of the debt of the Big Four is floating rate debt whereas two-thirds of the debt of the rest of the developing world is on fixed rate.
- The Big Four increased this floating rate bank debt by $100bn to $140bn (£90.5bn) between 1978 and 1982.
- Half of this increase consisted of loans repayable within one year.

It was the corrosive combination of floating rates and such impossibly short maturities which condemned international bankers to a world of smoke-filled rooms and 50-foot telex messages.

The table below shows how an average interest rate of about 17 per cent for 1982 obliged the Big Four to pay out $24bn in interest on top of $20bn in loan repayments, in a year when their total exports of $70bn were offset by almost the same quantity of imports. In short, the only way the Big Four could find that $44bn was by borrowing it, or by delaying payment — which amounts to the same thing.

One can argue that all debts can be rolled over or extended provided that interest is paid. It is interest which makes a loan a credible banking asset. Refinancing, renegotiation, restructuring, rescheduling of debt: these are all identical actions at different points on the spectrum of fear — fear that there is no prospect of interest payment. What are the prospects for interest payment by the Big Four?

The most important factor is the level of interest rates. Libor is now hovering at around 9.5 per cent. If this level were to hold for 1983 floating rate debt would carry an interest rate of about 11 per cent and the Big Four would pay interest of $15.5bn on their floating debt. This is a huge saving on $24bn last year. The problem is that the prospect of further falls in Libor appears to have receded — particularly in light of Paul Volcker's testimony to the Senate on Wednesday.

The next source of hope is the oil price. Three of the Big Four paid $17bn for oil in 1982. Mexico, the fourth, earned almost $12bn from oil exports. A reduction in the oil price from $34 a barrel to an average of $29 a barrel will reduce Mexico's export earnings by $1.75bn but boost those of the other three by $2.5bn. The Big Four are therefore less than $1bn better off.

The upshot of this simplistic approximation is that there is still an interest gap of roughly $15bn between the position today and banking credibility. This is a crude measure of the balance of payment adjustment now required of the Big Four, against the testing background of recession.

THE BIG FOUR 1982

	Net floating Interest debt	Floating int. payments due	Total debt service	Oil import bill	Exports
	$bn	$bn	$bn	$bn	$bn
Mexico	59.3	10.0	15.2	−11.7	19
Brazil	45.5	7.7	18.5	10.1	21
Argentina	20.5	3.5	4.9	0.3*	9*
S. Korea	15.5	2.6	4.8	6.1	21

* 1981 — Source: OECD and FT estimates

Letters to the Editor

British Steel Corporation—earnings and prices

From the Director, Personnel and Management Services, Round Oak Steel Works

Sir,—One reads (February 12) with dismay and disbelief that the Iron and Steel Trades Confederation has stripped of office six branch officials who have concluded a 1983 pay deal at the Port Talbot works of British Steel Corporation and that Mr Bill Sirs, ISTC general secretary, believes that "the agreement signed is invalid."

Leading local officials here at Round Oak were similarly stripped of office in the summer of 1980 after leading a return to work in the private sector of the industry in defiance of the ISTC's instructions to participate in the disastrous public sector steel strike of that year. As now in South Wales they opted out—albeit belatedly—of a politicised struggle that was at best irrelevant to their real situation. Their own forbearance, the sensitivity of local management and the good offices of another union kept relationships on the rails until the ISTC eventually came to its senses and quashed the suspensions so vindictively imposed. When will they ever learn?

The irony of the Port Talbot incident is that national bargaining in the steel industry never used to concern itself with local earnings until we suffered a series of ineffective "statutory" incomes policies from 1972 onwards. Traditionally in the steel industry national negotiations were concerned with general terms and conditions: hours of work, shift premia, holidays and the guaranteed week while pay was the subject of local settlements which were normally constructed to last for several years at a time.

This orderly progression did not, in those days however, attract much media attention . . . but that is another story.

Ian A. M. Copland,
(Sometime Chairman Independent Steel Employers' Association), Round Oak Steel Works.
PO Box 3,
Brierley Hill, West Midlands.

From Mr H. Girvan

Sir,—As an employer in the steel using industry, I am most concerned about the announcement carried on February 11. As readers will no doubt be aware, the European primary steel making industry is protected by production quotas, whereas the tubemaking industry is not. The result of protectionism has been the increase in the price of hot rolled strip, the basic ingredient of the welded tube maker. The problem is, however, that many companies will not be able to accept any increase in tube prices due to the very competitive nature of the markets in which we sell.

British Steel Corporation, by increasing steel strip prices by 10 per cent and at the same time reducing its welded tube prices by up to 35 per cent, will put into question the medium term existence of the private sector tube maker. BSC has infinite resources, the private sector does not. Consequently, unless action is taken to prevent the demise of the UK private tube maker, BSC will become a monopoly supplier of tube and structural hollow sections, and fabricators and stockists will have to pay monopoly prices for their steel or turn to imports. This cannot be in the best interests of British industry.

H. M. Girvan,
Clumber Steel and Tube Co.,
43 Bridge Street,
Leatherhead, Surrey.

Destroy drug fields at source

From Mr S. Taylor

Sir,—"Defeated," says Ian Hargreaves (February 11).

Why? In this technological age of cruise missiles and targets which can be pinpointed, is there no one among the powers that be who can and will devise a "weapon" to destroy these drug fields at source, ie on the ground as they grow, even if this means offering some compensation to the legitimate "farmers" who would suffer financially, be they individuals or governments?

Surely this is the only way of reducing this tragedy-making evil of our times. If systematically and unceasingly carried out season after season, it could possibly eradicate this traffic and save from a life of degradation and misery, thousands of the world's fine young people who have been led astray along this self-destructive path.

Searching the occasional cargo, freighter, house, car, suitcase, sometimes has results, but is a minutely fractional deterrent. Once the drug is in illicit transit, we are not searching for a needle in a haystack, whose whereabouts and dimensions are known. We are searching for hundreds of needles, but they are in a huge unknown sea.

S. Taylor,
61, Austin Drive, Didsbury,
Manchester.

The Revenue and Parliament

From Mr A. Wiggin

Sir,—In referring (February 14) to my letter on the injustice of Leedale v Lewis, Justinian appears to have misunderstood the point I was making.

As I specifically said, I was not questioning the interpretation which the House of Lords placed on the section, nor was I suggesting that the courts should look at Hansard in order to determine what Parliament intended.

I was criticising not the courts, but the Revenue. First for embarking, some 13 years after the Act, on litigation designed to defeat the intention of Parliament (an intention which its own spokesman spelt out to the Commons in 1965 and which the Revenue implicitly accepted in its operation of the section for much of that period), and secondly for mis-stating that intention to the House of Lords (it is hoped, unintentionally).

With this background, the Revenue should never have litigated the Leedale case. If, by 1978, the Revenue believed that the legislation was defective, it should have altered it prospectively prior to the 1979 consolidation: It did not do so.

Justinian suggests that what the inspector of taxes did was his duty. That begs the whole question whether the House of Lords would have reached the same decision had Parliament's true legislative intent not been forcefully mis-stated to it, both in the statement of the Revenue's case to the House, and in argument. Since the Revenue, the draftsman, Parliament and the majority of the legal and accountancy professions, had accepted for many years the interpretation which accorded with Parliament's true intention, it is surely untenable to argue (as does Justinian) that the House of Lords successfully gave effect to "what those affected might reasonably expect."

H. W. Wiggin,
The Quadrangle,
Imperial Square,
Cheltenham,
Glos.

Precast concrete structures

From the Director-General, British Precast Concrete Federation

Sir,—In the issue of February 14, reference is made to a statement by Mr John Stanley, Minister of State for Housing, in regard to structural deterioration of precast concrete structures in some 30 Orlit houses in Scotland.

It should be pointed out that the houses concerned were, at that time, built in compliance with regulations then in force and that nowadays the state of the art is so much advanced that this sort of problem could not arise with current precast concrete structures. The increasing use of quality assurance in the industry is vital to this regard. Indeed, the Minister did say in the debate in the House of Commons, "the general level of house building is much higher, and has been in the 1970s and 1980s than during the period about which we are talking."

The whole position is in danger of being blown up out of all proportion. The Scottish Special Housing Association, whose report prompted the statement, emphasised, "that at the present time the stock of association Orlit houses is perfectly safe" and "no danger of structural collapse or damage exists."

This federation very much welcomes the Government decision to obtain more satisfactory data because any increase in basic knowledge will ensure that any subsequent surveys are targeted in the right direction and are cost effective. Perhaps then we can talk on the basis of facts and not supposition.

John P. Metcalfe,
60 Charles Street,
Leicester.

Public scrutiny of local authorities

From Mr P. Young

Sir,—Clifford Smith (February 12) claims far too much for the public scrutiny of local authorities. Exercising what I thought were my rights under the Local Government Act 1972, as a test I tried to find out the actual salary of the chief executive of my borough council. According to Tom King, then Minister for Local Government: "The only recourse for a person involved in such a dispute would be to take up the matter through the courts; only they can rule on whether the statute requires an authority to make a particular item available."

In short, local authorities are judge and jury in their own case. What we need is a Derek Rayner, a Leslie Chapman, and a band of rightly nosey ratepayers to investigate these local monopolies. If they are as efficient as Mr Smith claims, they have nothing to fear.

Peter Young,
21, Keble Close,
Pound Hill,
Crawley, Sussex.

FINANCIAL TIMES

Friday February 18 1983

Bush fires may cost A$1bn in damages

By Michael Thompson-Noel in Sydney

SURVIVORS of Australia's worst bush fires yesterday spoke of a "tidal wave of flame" sweeping across enormous tracts of dry farmland and wilderness at more than 50 mph.

The country ground to a virtual halt in the tragedy, which has claimed at least 68 lives and caused an estimated A$1bn ($970m) worth of damage. Seven small towns have been destroyed and general election campaigning has been suspended.

The toll was highest in Beaconsfield and Cockatoo, about 50 km east of Melbourne, Victoria, where at least 25 died and more than 15,000 hectares of land were destroyed.

In Beaconsfield, 12 volunteer firefighters were encircled by flame and incinerated in seconds.

Only a score of Cockatoo's 450 homes were left standing after the fire had reged through the town, but 120 children were saved after sheltering beneath wet towels in a kindergarten.

"We were lucky to get out," said Ian MacRae, whose wife and four children survived. "I don't think a lot did." All he salvaged from his home was a radio, two overnight bags and his dog.

Nearby, a young couple, newly engaged, were found dead clutching each other in a storm gutter. "It was just sheer bloody hell," said one official.

Many of the victims were killed in their cars. It is a standing instruction for motorists trapped in bushfires to stay put, close the windows, cover themselves and lie on the floor. But in the exceptional heat of Wednesday night, the precaution was inadequate and many died of suffocation.

Thousands of sheep and cattle were incinerated, and with the feedstock destroyed, hundreds of farmers – already battling gainst the worst drought this century are in a hopeless position.

The fires burned throughout Wednesday night, and in some parts of Victoria – where 43 died – were still raging unchecked last night, with huge blazes reported in the Dandenong and Otway mountains. Hundreds of troops joined in the firefighting, but communications were in chaos.

Mr Malcolm Fraser, the Prime Minister, toured the worst-hit areas, as did Mr Bob Hawke, his Labor Party opponent.

British Steel to receive further £245m support

BY PETER RIDDELL AND PETER BRUCE IN LONDON

THE British Steel Corporation (BSC) is to receive an additional £245m ($379.5m) for the current financial year, because of its cash squeeze.

This brings total central government support for the Corporation, through its external financing limit (EFL) up to £610m for the year ending March 31. The increase was revealed by the UK Treasury in the spring supplementary estimates which were presented to Parliament yesterday.

The Treasury says the additional provision is necessary "because of the deterioration in BSC's financial position stemming from the crisis affecting the steel industry throughout the world."

Mr Patrick Jenkin, Industry Secretary, announced in December that additional provision and an adjustment in the external financing limit would be necessary, once BSC's new corporate plan had been considered.

This takes account of the decision to keep open all five of the corporation's integrated steel making plants for the next couple of years, at least.

The public spending White Paper (policy document) published earlier this month set out a provisional external financing limit for the 1983–84 financial year of £195m, though the BSC's prospects are still being reviewed. It seems, however, that the provisional figure will be increased.

The extra funding announced yesterday will have to be cleared by the EEC Commission in Brussels, although the Government does not anticipate any difficulty in gaining approval. The UK already has permission to offer BSC a maximum of £400m this year.

The UK has committed itself to scaling down the level of subsidy to BSC, in line with a Commission ruling that steel subsidies throughout the Community should stop by 1985.

The feasibility of that target is being questioned increasingly, as demand shows little signs of recovering. Nevertheless, BSC's new EFL of £610m, up from £365m, is still below the 1981–82 figure of £730m.

Under a deadline imposed by the Commission for final funding proposals until 1985, the UK Government put in a request for £1.8bn last September.

The size of the request, which would allow BSC an average of £600m in the last three years of subsidy, suggests that the Government shares some of BSC's current pessimism about the market.

The Commission will rule on the British request, along with amounts sought by other Community members, by the end of June, but in offering BSC the extra cash the Government obviously feels it has room to manoeuvre

The supplementary estimates seek provision for a total additional amount of £1.25bn. Most of this sum will be matched by offsetting savings elsewhere in programmes or has been charged to the contingency reserve.

A figure of £135m is being sought for attendance and mobility allowances because of an increase in the number of beneficiaries, while an additional £340m provision is being requested for supplementary pensions and other allowances.

Tough provisional quotas announced, Page 3; BSC chairmanship, Page 8

Japanese clash may prompt early poll

By Jurek Martin in Tokyo

THE JAPANESE Government and its parliamentary opposition are locked in a confrontation which may lead to a general election as early as April.

It is unclear whether either the ruling Liberal Democratic Party under Mr Yasuhiro Nakasone, the Prime Minister, or the opposition actually wants an election so soon, but both sides have it in their power to bring one about.

The battleground chosen by the opposition, led by the Japan Socialist Party (JSP), is the budget committee of the Lower House. The five minority parties are boycotting consideration of the budget for the 1983 fiscal year, beginning in April, until the LDP agrees to widen the committee debate to include four demands.

These are: the joint resolution calling on Mr Kakuei Tanaka, the former Prime Minister, to resign from the Diet because of the Lockheed scandal; the Government's decision to authorise military technology transfers to the U.S.; consideration of a major tax cut to stimulate the economy; and the Government's refusal to sanctino a civil service pay increase.

For the past 35 years the LDP, with rare exceptions, has enjoyed solid parliamentary majorities. Traditionally, one of the few devices open to the opposition to get its policies and positions into public debate has been through extraordinary tactics, such as a parliamentary boycott.

In this case, the opposition's intent appears to be either to test Mr Nakasone's nerve or to goad him into calling an early election, which it believes might be a tactical error on his part. In December, the Prime Minister threatened a dissolution if the budget was blocked, but he is more guarded these days.

According to Mr Masashi Ishibashi, a JSP vice-president, there are two likely dates for a general election in the first half of this year. These are April 24, in conjunction with local elections across the country and in June or July, probably June 26, when election for half the upper House of Councillors is due.

An April election, in Mr Ishibashi's view, would be the result of the initiative of the opposition in forcing Mr Nakasone's hand over the budget. He thinks the Prime Minister will tip his hand within the next seven to 10 days.

A June poll, however, would be dictated by Mr Nakasone, who might want to take advantage of shifts in public opinion immediately after the final defence summation in the Tanaka case.

It is not easy to see why the opposition, especially the JSP, is interested in an early election. Mr Nakasone may be controversial but the support for the LDP seems to be holding steady at about 50 per cent – more than three times the JSP's popularity.

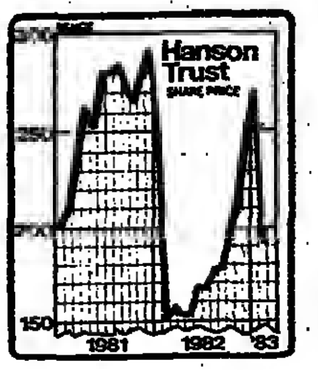
The JSP hardly seems ready for election day: it has just suffered the sudden death of its new secretary general; its recent turbulent in-fighting is still fresh in the memory; and its process of selecting candidates for the 140 electoral districts in Japan is still lagging.

Mr Ishibashi claims the tide is turning, however. He points to a by-election victory in the Upper House last Sunday – the first such JSP victory in 15 years.

THE LEX COLUMN

Hanson joins the UDS scramble

A weaker dollar yesterday proved to be no prop for sterling, which eased on oil price worries. So in spite of encouraging bank lending figures, gilts lost about ¼.



UDS

Both Hanson Trust and Mr Gerald Ronson have built hard-earned reputations for meanness when it comes to bidding for companies. So, with Hanson trust launching a last-minute strike for the besieged UDS group, it comes as no surprise that the terms are pitched extremely finely. On the basis of Hanson's closing price of 192p, the all-paper bid is worth a bare 6p more than the Bassishaw cash offer of 114p a share.

The Hanson all-paper offer accords with UDS's belief that many of its institutional shareholders would prefer to have a continuing interest in the business – and escape capital gains tax – rather than accept Bassishaw's straight cash terms. Hanson's balance sheet would have supported a cash alternative; against the £230m offer at last night's price, the group has cash balances of around £186m following its recent disposal of Berec's European activities, and gearing is not excessive if convertible stock is treated as equity.

Hanson's bid has been pitched at a level which would avoid any earnings dilution on the historic profit records, with the new shares being issued in virtually exact proportion to UDS's forecast profits in the year to January.

So, given the sort of growth which has become familiar to Hanson shareholders in recent years, it ought to be able to retain its record of 19 years of profits and earnings growth.

The proposed deal fits into Hanson's established strategy of picking up under-utilised assets in mature industries. So UDS may now be exposed to Hanson's insistence on realising assets and pepping up trading performance. One set of assets – the Richard Shops and John Collier – is already waiting to be shunted off under the previously arranged deal with Burton. If Hanson accepts the deal as it stands it will reduce the net cost of the acquisition to around £150m.

S & W Berisford

Anyone who wants to see the full 1982 report and accounts of British Sugar can no doubt call at Companies House or even Berisford House for a copy. He need not waste much time, however, looking through the parent S & W Berisford's own 1982 annual report, published yesterday. British Sugar's current cost pre-tax profit has crept its way into the chairman's statement. But there it sits in solitary spendour, with no British Sugar accounts anywhere in attendance and the group's current cost statement only explaining why full SSAP 16 accounts have not been prepared.

The Monopolies Commission finally and grudgingly gave its approval to the takeover last year on three conditions and the third of these was that Berisford should "publish annually reports and accounts with supplementary material such as to give information comparable with" British Sugar's 1979-80 report and accounts. No doubt it has done so in copies apparently sent to those deemed by Berisford itself to be interested parties, including the Secretary of State. But the response by Berisford seems to have taken its cue from the pedantry of the Commission's own approach. Inclusion of British Sugar's figures for the whole of 1982 in the Berisford report would have been more in keeping with the spirit of the Commission's recommendations.

Hoover

No matter how meagre, yesterday marks the first time Hoover has shown black ink at the pre-tax line for almost three years. The market acknowledged the fact with a 5p price rise to 125p, but it was grudgingly done. The last quarter to December was expected to provide something a lot better than a £22,000 profit on sales of over £51m. After all white goods were supposed to be selling as fast as the retailers could get them into the showrooms.

But Hoover had its problems, most of them "down under." The company does not break out its Australian operations but they count for about a fifth of group sales and losses have been mounting. Not that the UK was without its share of headaches. Labour relations in Scotland hit a stony patch during the final quarter. Demand was there but Hoover just could not produce enough to meet it. Still, the rundown in stocks must have helped chop the last-quarter interest payment in half. By the year-end borrowings were £6½m lower at £17m – a third of shareholders' funds.

Hoover hopes to hold that lower level of debt and now that Australia has been pruned and Scotland is running smoothly the group could make a modest profit in 1983. Yet a pre-tax return of £5m to £7m no sales of £200m or so may look a little less than satisfactory to the company's masters in the U.S. Perhaps they have been watching events at Woolworth with more than academic interest, though at least Hoover seems to be heading the right way.

Whisky

The more confident atmosphere surrounding the Scotch whisky industry in recent months is beginning to look a little tarnished. So far at least, the anticipated revival in demand has failed to materialise and the industry continues to wrestle with surplus inventory. As a supplier to the name blenders, Tomatin has suffered particularly because of its high gearing to the level of demand. So the company's main shareholders are being asked to make something of a gesture of faith in supporting plans for reconstruction. The aim is to raise £3m in convertible preference shares, on a 7 per cent yield, which on conversion will roughly double the issued share capital of the group.

The industry's problems were underlined by Distillers' announcement on Wednesday that it was closing 11 distilleries to get stocks into balance. The move is not so much a reaction to the depth of the recession, as to its length. Distillers may have planned its stock build on the basis of an annual 4 per cent sales growth rate with stock laid a decade or so before final sale, a single year's slippage has a compound impact.

Franco-Italian group pressed on Argentine hydro project

BY JIMMY BURNS IN BUENOS AIRES

DUMEZ-IMPREGILO, the Franco-Italian consortium, has come under intense local pressure to cede part of its proposed participation in the construction of Yacyreta, the $10bn hydroelectric project planned on the Argentine-Paraguayan border.

In what amounts to an ultimatum from the Argentine Government, the consortium has been given until Monday to reach agreement with a group of local companies or face the prospect of an indefinite postponement of the project.

Earlier this month, Dumez-Impregilo asked that its participation in the construction of the project should be 53.5 per cent and that the rest should be shared out among Argentine and Paraguayan companies not linked with the consortium, with a small proportion going to Uruguay.

Paraguay and Uruguay are reported to have settled for participation of 15.25 per cent and 0.5 per cent respectively. Argentine companies were yesterday still holding out for a much greater share than the 30.75 per cent proposed by Dumez-Impregilo.

Argentina would like local participation to be at least equal to that of the consortium and preferably constitute the majority share of the construction.

The current argument is the latest battle in a long war over the project since bids for the civil works were first opened in June 1980. Dumez-Impregilo was formed last August as part of an agreement to end months of bitter rivalry between the French and Italians and to facilitate an early decision from Ente Binacional Yacyreta – the Argentine-Paraguayan entity set up to supervise the building of the project.

A decision on the granting of the civil works contract was earlier held up after the World Bank had objected to the local preference for a $1.7bn bid put up by Impregilo. The bank, which along with the Inter-American Development Bank has offered the main project financing, had argued that the decision taken against Dumez was not justified on financial and technical grounds. Dumez's original bid was $1.48bn and this figure has now been adopted by Dumez-Impregilo.

Argentina has been submitted to a tough austerity package by the International Monetary Fund but some Argentine military officials are understood to favour the project going ahead before handing power over to the civilians

Pressure for greater local participation in major projects is the result of the revived nationalist sentiments in the wake of the Falklands war.

Thais may defer airliner plans

BY JONATHAN SHARP IN BANGKOK

A KEY committee in Thai Airways International, Thailand's flag carrier, has recommended that the airline drop plans, at least temporarily, to buy new medium-range aircraft and thus defer a difficult choice between offers made by Airbus Industrie and Boeing, airline sources said yesterday.

The two aircraft manufacturers have been battling hard for months to secure the Thai contract, which, though it is for only two aircraft worth a total of about $100m, is regarded as providing an important opening to the expanding South East Asian market.

Thai International originally ordered two Airbus A-300s to add to the 10 it already has, but then turned its attention to Boeing, which offered attractive terms for two of its new 767s.

Earlier this week, the airline's long-range planning committee recommended that neither company should get the contract, and that both should submit their sales proposals again with no time limit attached. A decision is expected on the committee's recommendation next Thursday, when the airline's board meets.

If the board shelves plans to buy either the Airbus or the 767, Boeing may get a consolation prize in the form of an order for one Boeing 747, which Thai International is also thinking of buying.

But as far as the Airbus and 767 are concerned, it has been apparent for some weeks that both the airline and the Thai Government, which has the last word on aircraft purchases, have had serious doubts and differences, first over which aircraft to choose and, second, over whether to buy any aircraft at all.

In addition, senior airline officials have been embarrassed by the mass of publicity generated by the Airbus-Boeing contest.

Thai International had already paid a deposit of more than $1m to Airbus Industrie before turning to the U.S. aerospace giant.

The European consortium was understandably appalled when the Thais tried to back out of the deal. Senior Bangkok-based diplomats from Britain, France and West Germany made joint represeotations to the Thai government in favour of Airbus.

In the latter months of 1982, both Airbus Industrie and Boeing vied to offer more generous terms to the Thais. Airbus Industrie took the extraordinary step of lopping $10m off the price of each aircraft.

But until December, Boeing appeared to have clinched the deal. Since then, however, the Thai airline has raised objections to the 767's cargo-carrying system. In addition, several senior Government officials have urged the airline to drop the idea of buying new aircraft and instead take advantage of current cheap leasing rates and lease the aircraft it needs.

EEC probe on Hyster UK plans

By John Wyles in Brussels

MR FRANS Andriessen, the EEC's Competition Commissioner, yesterday demanded to know what financial incentives were being given to Hyster, U.S. fork lift manufacturer, to persuade it to develop its plant in Scotland.

The Dutch Commissioner's intervention followed swiftly on Hyster's announcement on Wednesday that it would cut production in the Netherlands and sell its components plant in Belgium.

These moves are part of a strategy to concentrate volume production of fork lift trucks at Irvine, Scotland, now that the plant's workforce have voted to accept a 9.8 per cent cut in basic pay rates.

According to the company, the vote establishes the viability of a £40m ($62m) investment at Irvine which reportedly will be supported by £12m of British Government selective assistance and regional development grants.

Commissioner Andriessen wants details of the government aid to establish that it does not breach EEC competition rules. He has also asked the Netherlands and Belgian governments for details of the job losses caused by the Hyster reorganisation.

If he decides that the aids are illegal, the UK Government would have to withdraw them or face action at the European Court.

U.S. banks cut Spanish operations

Continued from Page 1

mum capital, thereby increasing banks' exchange risks in Spain, was widely regarded as an attempt to discourage further competition for local banks, or as a bid to exert pressure on foreign banks to opt for the acquisition of ailing Spanish institutions as a way of establishing branch networks.

To date only two foreign banks have chosen this path – Barclays through the takeover of Banco de Valladolid, and Banque Nabonale de Paris through the acquisition of Banco Lopez Quesada. Bank of America is in the running to take control of Banco de Alicante.

The original 1978 decree imposed strict restrictions on foreign banking operations, with the number of branches limited to three and the deposits banks can accept in pesetas limited to 40 per cent of assets.

There are now 30 foreign banks operating in Spain including four that were established before the 1936-39 Civil War.

The most recent arrivals include the two Belgian banks Societe Generale de Banque – known here as Banco Belga to avoid confusion with the French Societe Generale – and Banque Bruxelles Lambert.

Rise in UK bank lending tails off

Continued from Page 1

will increase as the recovery gets under way, to finance higher stock levels and perhaps an increase in capital investment.

Yesterday's banking figures showed that in the 11 months to mid-February, sterling M3, the broad measure of the money supply, rose at an annualised rate of 10½ per cent, well inside the Government's target range of 8 per cent to 12 per cent growth. Sterling M3 includes notes and coin and bank deposits.

M1, the narrow measure of money which includes those bank deposits which can be withdrawn without notice was rising at an annualised 11½ per cent for the period.

PSL2 (Private Sector Liquidity 2, which includes private deposits with building societies as well as with banks) rose at an annualised rate of 8½ per cent in the period.

These figures suggest that the Government's money supply targets will be comfortably met in the current year – for the first time since the last election.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	8	46	Dubrovnik	S	3	37	Malaga	R	12	54	Salzburg	S	-2	28
Akrotiri	F	15	59	Faro	R	13	55	Malta	S	14	57	Seoul	C	4	39
Algiers	F	13	55	Florence	S	5	41	[illegible]	S	33	91	Singapore	S	34	93
Amsterdam	S	2	36	Frankfurt	S	1	34	Miami	R	23	73	Stockholm	S	1	34
Athens	[illegible]	5	41	Funchal	F	18	64	Milan	C	4	39	Strasbourg	S	0	32
Bahrain	C	22	72	Geneva	C	-3	27	Moscow	C	-7	19	Sydney	R	31	88
Bangkok	S	34	93	Gibraltar	R	12	54	Munich	S	-4	25	Taipei	C	18	66
[illegible]				[illegible]				[illegible]				[illegible]		13	55

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Snow Report

EUROPE

Arosa (Sw)	90–170 cm	Excellent skiing on good base
Avoriaz (Fr)	80–185 cm	Odd rock and icy spot
Cervinia (It)	80–200 cm	Good snow on good base
Davos (Sw)	100–200 cm	Good skiing on upper runs
Klosters (Sw)	80–200 cm	Ice on lower slopes
St. Moritz (Sw)	70–140 cm	Icy patches on lower slopes
Seefeld (Aus)	40– 50 cm	More snow needed
Verbier (Sw)	40–170 cm	Hard packed snow on piste
Wengen (Sw)	60–150 cm	Good piste skiing

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	16– 39 ins	Powder and packed powder
Park City (Ut.)	12– 96 ins	All lifts and gondola running
Squaw Val. (Cal.)	84–174 ins	Powder and packed powder
Sugarbush (Vt.)	10– 26 ins	Packed powder

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday February 18 1983

International Harvester boosts market share

BY RICHARD LAMBERT IN CHICAGO

INTERNATIONAL Harvester's share of both the truck and agricultural equipment market in North America increased sharply during the first three months of the current fiscal year. Dealer inventories were in a much healthier state than a year ago, Mr Louis Menk, company chairman, told the annual shareholders' meeting yesterday.

The group was currently looking for a gain of between 6 per cent and 8 per cent in North American truck sales this year, be said. Agricultural equipment sales were expected to be flat, but should show an improvement in 1984.

On Wednesday, International Harvester reported a net loss for the first quarter ended January 3 of $111m, against a net loss of $287.6m a year earlier. The group's tangible net worth now stood et $150m, Mr Don Lennox, Harvester's chief executive, told the meeting.

Harvester has signed a new agreement with its banks in the UK and is projecting a break-even from *its British operations in the current* year.

Mr Lennox said that Seddon Atkinson, Harvester'a UK truck maker, was still for sale. Several offers bad been made, but none of them were acceptable.

Harvester was involved in tentative talks with a number ol other agricultural equipment makers concerning possible joint venture arrangements, he said. It had already agreed on a deal in Europe whereby it would make castings lor Massey Ferguson and the Canadian-based company would provide it with components in return.

Mr Lennox said that the group was a little stronger in Germany than last year but rather weaker in France, due to the economic problems there.

Mr Menk, who took over as chairman of the deeply troubled agricultural equipment and truck manufacturer last spring, said that in view of the group's reorganisation, which was still under way, "I believe we can look to the future with greater confidence."

As of January 31, Harvester's casb and marketabla securities amounted to $225m, be added.

Mr Lennox said that provided the economy bebeved as expected, "we see ourselves turning the company around and going forward."

Hoover returns to profit with $3.9m net income

BY PAUL TAYLOR IN NEW YORK

HOOVER Company returned to profit last year after a further improvement in fourth-quarter net earnings. The company also said it bad made a profit in Europe for the first time in three years.

Hoover reported a fourth-quarter net income of $2.96m, or $0.24 a share, compared with a net loss of $15.7m, or $1.28, in the 1981 quarter on sales which fell by 11.2 per cent to $159.6m from $179.8m.

The fourth-quarter profit, which followed a smaller profit in the third quarter, helped Hoover post e net profit of $3.953m, or 32 cents a share, for the year compared with a consolidated net loss of $18.78m, or $1.53, in 1981. Consolidated sales for the year fell by 11.7 per cent to $662.5 from $749.9m.

The 1982 results include a $1.3m – 11 cents a share – charge against earnings earnings for the year and a $618,000 – 5 cents a share – charge for the quarter to reflect the lower currency value of its Mexican subsidiary.

Mr Merle Rawson, Hoover chairman and president, said that throughout 1982 there were adverse economic conditions in Hoover's major markets.

"However, the extensive reorganisation of our operations overseas and the introduction of new models with features never before available, reversed for Hoover the negative trend that we bad been witnessing in some countries," be said.

Mr Rawson said the company bad maintained its share of a depressed floor-care market in the U.S., althougb sales and earnings were lower than in 1981. Losses in the UK were reduced after productivity gains.

A poor business climate, aggravated by a widespread drougbt, adversely affected Hoover's sales and profits in Australia, but in Europe Hoover made a profit for the first time in three years.

Hoover UK results, Page 21

Phibro up 21% in fourth quarter

By Our New York Staff

PHIBRO-SALOMON, the commodity trading and investment banking group, yesterday reported a 21 per cent increase in fourth-quarter net earnings buoyed by especially strong earnings from the securities operations of Salomon Brothers.

The group reported lourth-quarter net earnings of $98m, or $4.97 e share, compared with $81m, or $4.53, in the 1981 quarter.

Earnings before taxes showed even larger increases. Phibro-Salomon reported pre-tax profits of $134m compared with $75m io the 1981 period on revenues which increased from $6.443bn to $8.175bn.

The 1982 fourth-quarter results include a $60m pre-tax charge, $30m after tax, ol which balf related to a non-recurring write-off of e 30 per cent interest in e new Mexico copper property.

For the year the group posted a 17 per cent increase in net earnings to $377m, or $4.97 e share, from $289m, or $4.23, in 1981 on revenues which Increased from $25.65bn to $26.70bn.

Earnings before taxes increased by 46 per cent to $434m from $298m.

The group said that Salomon Brothers's earnings bad been particulary strong in the second half of the year reflecting the stock and bond market rallies

BIG RISE IN NEW ISSUES

Boom on Swedish stock market

BY DAVID BROWN IN STOCKHOLM

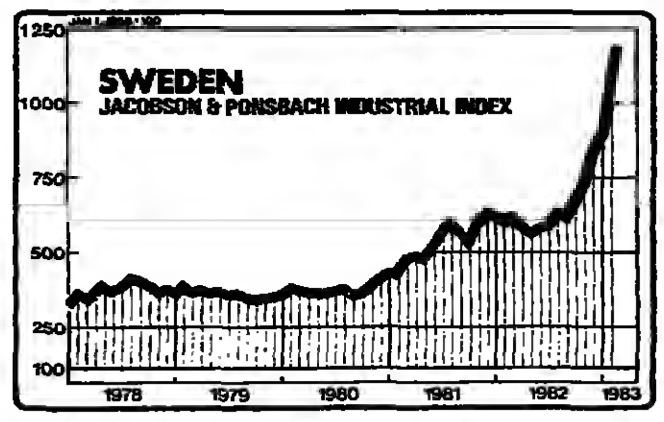
"NOBODY living today bas ever seen anything like it," was the way one trader described the stock market in Stockholm yesterday, after it had reached an all-time bigb on the beels of two growtb years. The J and P Industrial Index of the Stockholm exchange has grown 99 per cent from 597.78 a year ago to 1189.84 at yesterday's close.

The broader Veckans Affärer Index shows chemicals up 12 per cent this year, manufacturing up 21 per cent and forest products up 32 per cent. The same index grew 58 per cent last year.

There has been e dramatic rise in new issues. Last year, over SKr 2bn ($274m) in shares was issued, more than three times the average for the 1970s. S. E. Banken has announced a new scrip issu . that will bring an additional SKr 650m to the market, which is well on the way to meeting and exceeding last year's levels.

When asked to explain the pbenomenon, one Stockholm broker shrugged his sboulders and replied: "You tell me," reflecting not only e sense ol bemusement but also pointing to one lactor that bas contributed to the climb.

Foreign investors, especially in London and New York, have been taking a growing interest in Stockbolm issues. The trend began in the late 1970s with undervalued biotechnology and enginering shares, but has extended and strengthened as investors look with hope towards e record profit year in 1983 following the Swedisb currency devaluation.



Another factor often mentioned was the introduction by the previous non-socialist ruling parties of a share-saving scheme that drew smaller investors on to the market with the promise ol a 30 per cent tax rebate. Between SKr 2bn and SKr 3bn was attracted through this share saving scheme, with a total of about SKr 5bn taken in since their introduction in 1980.

Despite pre-election threats, the tax rebate on the share plan was not eliminated but rather reduced to 20 per cent, and apparently it remains an attractive investment alternative.

In the days immediately following the election of Social Democratic Prime Minister Ol f Palme, the value of the market grew SKr 18bn to SKr 120bn. One of the new Govenment's first acts was to devalue the Swedish krona by 16 per cent, confirming the impression that it meant to strengthen export competitiveness.

The Government calmed market fears by postponing its promised introduction ol the controversial wage earner funds scheme, whereby corporete profits would be taxed and set aside for the purchase of company shares for workers.

The new Government was also said to be in a better position to sway the trade unions to accept moderate wage rises. Despite recent difficulties in the wage talks, labour has been supportive of government policy to help stimulate international competitiveness by keeping wages down.

Another factor mentioned in the market rise has been *institutional* holdings. Insurence companies operate substantiel portfolios, while many Swedish corporations, already suffering trom serious overcapacity, are linding the stock market a more attractive alternative than investment in new plant and equipment.

In explaining the boom, analysts point to the limited number of attractive investment alternatives, for both individuals and instutions.

Dealers say the supply of new issues has not overtaken demand, profit announcements lor last year have on the whole been positive, and the Government has thus far avoided any policy changes that could counteract the boom.

Market reports, Page 29

French may cut Olivetti stake

BY JAMES BUXTON IN ROME

THE FRENCH stake in Olivetti, the Italian data processing and offire equipment company, is likely to be sharply reduced as a result of negotiations with Cit Alcatel, the Frencb state-owned electronics company.

The French Government, through the recently-nationalised company St Gobain, holds up to 33 per cent of Olivetti. St Gobain first acquired a stake in the company in 1980 when it was planning to diversify into electronics.

But after last year's nationalisation of major French companies, the Socialist Government in Paris decided that St Gobain should no looger be involved in electronics. The company then sold its 20 per cent stake in the electronics company Cii Hooeywell Bull.

The French Government finally designated the nationalised electronics concern Cit Alcatel to negotiate to take over the Olivetti stake. Meetings between Olivetti and Cit Alcatel have been trying to work out possible areas In which they can co-operate. Little had been achieved in the way of industrial co-operation with St Gobain before the Socialist Government came to power in France in May, 1981.

Olivetti is keen to gain Increased access to the French market througb an association with Cit Alcatel, but Sig Carlo de Benedetti, Olivetti's chief executive, bas made clear that while industrial co-operation must be founded on a financial relationship, that relationsbip ougbt to be in proportion to the size of the industrial collaboration involved.

This, Olivetti says, means that the French company sbould have a much 'ower stake than St Gobain's 33 per rent.

In reducing the French stake, a cleuse in the original agreement with St Gobain would be activated giving Olivetti the right to buy back its shares.

Olivetti is reluctant to let a French nationalised company uoder close state control have sûch an important stake in Europe's biggest company in its field.

The negotiations with Cit Alcatel are not expected to be concluded Immediately. But when they are, the question of who will buy the rump of the French participabon In Olivetti, whicb said it made record profits last year, will arise. Sig do Benedetti recently told a U.S. business magazine that be would like to see a major U.S. electronics company take a stake In Olivetti.

CIGNA suffers further decline

By Our Financial Staff

CIGNA Corporation, one of the leading U.S. insurance companies, has suffered a further decline in its profits. The company, created last year by the merger of Connecticut General and INA, reported a full-year net profit of $518.9m, or $6.73 a sbare, against $688.4m, or $8.88, a year earlier. Revenues were $11.79bn compared with $10.87bn.

CIGNA's operating income was $490.1m against $658m in 1981, while Investment gains totalled $28.8m against $28.4m. Fourth-quarter net income was $142.2m against $198.7m a year earlier, representing a 28 per cent decline compared with a 24.7 per cent fall for the full year.

Ciby-Geigy plans to lift payout

By Our Financial Staff

CIBA-GEIGY, the Swiss chemical and pharmaceutical group, plans to raise its 1982 dividend to SwFr28 a share from SwFr25 a year earlier following a 19.4 per cent rise in net profits to SwFr622m ($314m) from SwFr521m in 1981.

Group sales rose by SwFr200m in 1982 to SwFr13.6bn.

This growth rate was barely 1 per cent in Swiss franc terms because of the currency's appreciation, but in local-currency terms of foreign operations was about 8 per cent.

The profit rise was attributed to the biological division's performance and the rationalisation and restructuring measures taken in the past two years.

The pharmaceutical and agricultural divisions, the group's largest, both increased sales last year. But the divisions handling dyestuffs, cbemicals, plastics and additives suffered declines in sales because of "difficult market conditions and intensified competition."

The group's cash flow last year increased to SwFr1.4bn from SwFr1.3bn a year earlier and was sufficient to cover Ciba-Geigy's capital expenditures.

U.S.-Danish joint venture

By Our Copenhagen Correspondent

TOKHEIM Corporation, of the U.S., the world's leading supplier of service station equipment, with 1981 sales of about $135m bas set up a joint venture with Christian Rovsing, the fast-growing Danish computer manufacturer, to market computerised debit-credit cards systems throughout the world.

Mr Christian Rovsing, chief executive of the Danish company, which had 1982 sales of more than DKr 400m ($47m), said the joint venture, RTC Inc, was expected to achieve sales of "hundreds of millions" of kroner within two years.

Weda buys into Sabelt

GRANGES WEDA, a major manufacturer of car seatbelts owned by the Swedish Electrolux group, has bought 42 per cent of Sabelt, an Italian seatbelt company, AP-DJ reports from Stockholm.

Sabelt's 1982 sales were equivalent to DKr 100m ($11.6m) while Granges Weda's were DKr 400m.

Granges Weda bought the stake for an undisclosed amount from Italian investors through a trustee.

The acquisition will raise the company's share of the European seatbelt market to about 20 per cent from 16 per cent.

Danske Bank boosts earnings by 41%

BY HILARY BARNES IN COPENHAGEN

DANSKE bank's net profits increased by 41 per cent to DKr 517m ($61.2m) in 1982 and the bank pulled ahead of its traditional rival, Copenhagen Handelsbank, for pride ol place as Denmark's biggest bank both in terms ol net profits and the balance sbeet total.

The board proposed an unchanged 15 per cent dividend.

The bank's net earnings from interest and commissions Increased by 18.8 per cent to DKr 2.14bn, of which about a third was accounted for by foreign business. Earnings were further boosted by an increase in the year-end value of the securities portfolio by DKr 494m.

Earnings before depreciation and loss provisions increased by 38 per cent to DKr 1.24bn compared with the equivalent figure lor Handelsbanken of DKr 1.16bn, a 23 per cent increase.

Debt loss provisions were up by 13 per cent to DKr 413m and pretax earnings by 48 per cent to DKr 736m, wbicb compares with Handelsbank's DKr 663m.

The balance sbeet total increased by 19 per cent to DKr 58bn, putting the bank well ahead of Handelsbank – which bad a balance sheet total of DKr 54.8bn – for the first time.

Provinsbanken, the fifth-ranking commercial bank, reported net profits down from DKr 91m to DKr 74m, reflecting an increase in debt loss provisions from DKr 183m to DKr 258m. The bank's operating profits increased from DKr 141m to DKr 144m. The balance sbeet total increased by DKr 2bn to DKr 18.5bn, an uncbanged 18 per cent dividend will be paid.

India accepts stricter terms for energy loan

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

INDIA HAS bowed to pressure from international banks and accepted a margin over the expensive U.S. prime rate as part of the conditions for its latest credit, a $400m loan for its Oil and Natural Gas Corporation (ONGC).

The eight-year deal has been mandated to a group of four banks – Bankers Trust, Banque Nationale de Paris, Chase Manhattan and Credit Commercial de France. It is divided into two trancbes, one for $300m will bear a margin of ½ per cent over London Eurocurrency rates and the other, for $100m, a margin of 0.15 points over prime.

The loan has been expected in the Eurocredit market for some weeks amid a considerable flurry of interest in Far East banking markets as various bidding groups were formed and then dissolved.

Indie bas long been courted by international bankers but this time lenders have been able to impose tougher terms than in the past.

Use of the prime rate for the first time suggests a substantial increase in overall costs for the borrower, but the Libor margin of ½ per cent is also higher than that paid by Indian borrowers in the past, which has normally been ⅜ per cent lor eight or 10 years.

The latest deal, which is unusually large by Indian standards, carries a commitment fee ol ⅜ per cent. Repayments will start after a grace period ol four years and a prime cap of 120 basis points bas been agreed. This is the level below prime to which the Certificate of Deposit Rate would bave to lall before it is used as the reference interest rate instead ol prime.

Despite the increase in margins, Indie has managed to obtain terms that compare favourably with those awarded to other top-rated borrowers who also face tougher conditions in today's markets. Indonesia, lor example, is also paying ½ point over Libor for its latest $1bn borrowing.

● Japanese banks and life insurance companies are arranging a syndicated loan worth the yen equivalent of $325m for the Indonesian Government for lormal agreement in early April, Dai-Ichi Kangyo Bank, lead manager, said.

The loan, repayable over 10 years with a five-year grace period, will belp Indonesia build a petrochemical plant, Reuter adds from Tokyo.

WEEKLY U.S. BOND YIELDS (%)

	Feb 16	Feb 9	1982/83 High	1982/83 Low
Composite Corp. AAA	11.67	11.78	14.88	10.83
Composite Corp. AA	12.02	12.05	15.24	11.18
Government:				
Long-term	10.92	11.09	14.02	10.16
Intermediate	10.38	10.50	14.24	9.91
Short-term	9.79	9.89	14.52	9.23
Municipal	*	9.69	12.99	9.16
Industrials AAA	11.44	11.57	14.49	10.56
Industrials AA	11.80	11.90	14.73	10.96
Utilities AAA	11.90	11.96	15.27	11.11
Utilities AA	12.23	12.19	15.69	11.39
Preferred Stocks	11.09	11.19	13.35	10.71

Source. Standard & Poor's
* Not available

Firestone gain confirms recovery trend

By Our Financial Staff

FIRESTONE Tire and Rubber, one of the leading U.S. tyre companies, has reported a net profit from operations of $17m, or 34 cents a share, for the first quarter ended January 31, compared with a loss from operations of $500,000 a year earlier.

A $1m tax credit made the final net $18m in the latest quarter while a similar gain a year earlier made the final net $400,000 or 1 cent a share. Revenues for the quarter were $861.8m against $889m a year earlier.

The latest results confirmed the recovery trend at the tyre maker, which reported a 4 cents a share profit for the fiscal year ended last October on sales 11.3 per cent higher at $3.87bn. The last quarter of the year contributed 38 cents a sbare, which offset losses of 1 cent a share in the first quarter and 51 cents in the third.

Firestone said its world tyre group reported pre-tax operating income ol $54m compared with $36m in the same quarter last year.

Increased shipments of passenger and light truck tyres to domestic car manufacturers, the effects of cost reduction programmes and more profitable operstions in certain South American subsidiaries were the major factors behind the improvement.

The company also said that after the end of the first quarter, its Brazilian subsidiary entered into an agreement with a Brazilian corporetion to sell the assets of its plantation operations there for $40m. The plant transaction represents a continuation ol Firestone's effort to increase local ownership of loreign operations.

Firestone's Brazilian subsidiary will bave a 25 per cent interest in the new company and will enter into a long-term supply cootract and technical assistance agreement

Bear Stearns recruits WestLB man

By Alan Friedman in London

BEAR STEARNS, the New York-based investment bank partnership, is planning to enter the Eurobond market and has recruited Herr Peter Ganschinietz, the Westdeutsche Landesbank senior vice president who has resigned from the bank in Düsseldorf.

Herr Ganschinietz bas resigned along with Herr Albrecht Nicolaus, another WestLB senior executive, just as the bank is preparing to implement a major reorganisation resulting from a study by McKinsey & Co, the U.S. management consultants.

WestLB said last nigbt the reorganisation involves merging two departments of the bank – foreign bood trading and international institutional investment – into a new department, to be known as International Bond Trading and Placing. Under the reorganisation plan, Herr Thomas Reh, Herr Ganschinietz's deputy, is to take charge of the new division.

Subject to the satisfactory conclusion ol his contract with WestLB, Herr Ganschinietz is expected to join Bear Stearns International in Londoo on about June 1.

Office equipment sales lift Canon profits to record

BY YOKO SHIBATA IN TOKYO

CANON, Japan's leading camera maker which is rapidly developing into an office automation equipment maker, has turned in record unconsolidated pre-tax profits for 1982, thanks largely to growing sales of plain paper copiers (PPC) and electronic business machines.

Full-year unconsolidated pre-tax profits rose by 4.1 per cent to Y28.5bn ($123m). Net profits were Y16.7bn, up 6.2 per cent, and full year sales totalled Y307bn, up by 8.6 per cent on the previous fiscal year. The yearly dividend is unchanged at Y12 a share.

During the past year the company suffered from the sharp fall in demand for cameras. Sales of single-lens reflex cameras were particularly hit by falling demand, down by 18 per cent to reach Y80bn. However, medium class cameras such as "Autoboy" and "Snappy" fared better with sales up by 5 per cent. Total camera sales were down by 8 per cent, accounting for 44 per cent of Canon's turnover.

Office automation equipment sales surged by 30 per cent to account for 49 per cent of total turnover. This included good sales of PPCs (up by 28 per cent to account for 38 per cent of total sales) and other electronic business machines such as word processors, electronic typewriter and facsimile transmitters (up by 35 per cent to account for 14 per cent of turnover).

Sales of optical products fell slightly, by 1 per cent, to 7 per cent of the total.

Exports accounted for 74 per cent of total sales, up 8 per cent in spite of a doubling in domestic sales.

In addition to higher sales revenues, favourable factors such as foreign exchange gains, worth Y7.5bn, and an improvement in the financial balance contributed to the overall earnings rise.

In the current fiscal year, the company sees a further 25 per cent hike in sales of office automation equipment centreing on PPCs. As a result full-year sales are expected to increase by 7.7 per cent to some Y330bn.

Due to current strength of the yen the company cannot count on foreign exchange gains for this fiscal year. Pre-tax profits are therefore seen as falling by 1.7 per cent to about Y28bn and net profits at Y16.5bn down by 1.4 per cent.

The company plans to raise its per share annual dividend by Y0.5 to pay Y12.50.

Nippondenso registers growth

BY OUR TOKYO STAFF

NIPPONDENSO, Japan's largest manufacturer of automobile electric and electronic components in which Toyota holds a 20.8 per cent share, lifted its unconsolidated pre-tax profits by 7.4 per cent to Y56bn ($242m) for 1982.

Net profits were 6 per cent higher at Y26bn with full-year sales totalling Y608bn, up 5 per cent. The company lifted its annual dividend by Y0.5 to Y11.50 a share.

During the past year sales of its mainline airconditioner rose by 5.1 per cent to account for 39.2 per cent of total turnover. Autoparts gained 2.8 per cent to account for 28 per cent of the turnover. Electronic fuel injectors, electronic digital instrument panels and electronic skid control systems surged by 18.3 per cent to account for 8.3 per cent of the total.

The beneficial effects of higher production levels and foreign exchange gains along with an improvement in the financial balance helped cover higher labour costs.

In the current year, the company foresees continuing difficult business circumstances affecting the automobile industry. Increased production of electronics parts (to Y100bn) will be part of the company's plans to achieve full year sales of Y630bn. Full year pre-tax profits are projected at between Y55bn and Y56bn. The company plans to increase its dividend by Y1 to Y12 a share.

Royal Dutch to cut Singapore capacity

ROYAL DUTCH SHELL plans to cut oil refining capacity in Singapore to 250,000 barrels a day from 460,000 according to Mr Dick Van Hilten, managing director of Shell Eastern Petroleum, reports Reuter.

The cut is due to growing competition from new refineries in the Middle East and in neighbouring oil-producing countries such as Indonesia said Mr Van Hilten.

Shell said that the timing of the cut had yet to be decided. The refinery on the offshore island of Pulau Bukom is one of Shell's largest worldwide.

"Mothballing will begin when demand comes down sharply as Pertamina (the Indonesian state oil company) Refineries come on-stream" and prospects of replacement markets become dim, said the company.

Pertamina has advised the Singapore refiners that it will be drastically reducing its supplies and intake from later this year. Indonesia is expected to fall away as a major export market for Singapore's petroleum and petroleum products when its two major refineries complete their expansion plans by 1984.

The other four major oil refineries in Singapore are Esso Singapore, Mobil Oil Singapore, BP Singapore and Singapore Refining Company. All say that they have no immediate plans to follow Shell in through-put cuts.

Singapore's total oil refining capacity is 1.1m b/d but most refineries are operating at only 75 per cent of capacity.

Singapore's present refining capacity was too big for the future, said Mr Van Hilten, adding: "Hanging on to that excess capacity carries a cost which makes us less competitive."

EDA's winding-up hearing adjourned

By Robert Cottrell in Hong Kong

HONG KONG property group EDA Investments has obtained a 10-day adjournment in the hearing of a winding-up order brought against it in the Colony's high court, while evidence is produced of a rescue package said to be being put together on its behalf.

Macwell, a company with offices in Hong Kong and the West Indies, is leading the proposed rescue attempt. The 10-day adjournment is to allow the Macwell interests to produce, as evidence of their good faith, U.S.$20m said to be being made available through a Portuguese bank.

A further adjournment might then be sought in order for the Macwell interests to study EDA's financial position.

The winding up petition was brought against EDA by Barclays Asia, with the support of other creditors. EDA Investments owes some HK$1.5bn (U.S.$226m) and its chairman, Mr C. M. Chung, has apparently been absent from Hong Kong for several weeks.

Local bankers appear sceptical over the latest rescue proposal but are willing to listen to it. Last month, some bankers were told that Middle Eastern money might become available to EDA.

The winding-up petition covers the quoted section of the EDA group. Separate actions are progressing or being considered by banks against unquoted companies in Mr Chung's empire.

Trust Bank's margins under heavy pressure

By Our Johannesburg Correspondent

SOUTH AFRICA'S fifth largest commercial banking group, Trust Bank, had to contend with severe pressure on profit margins in the six months ended December 31, 1982.

Nevertheless the bank has posted a first-half profit after tax of R7.2m ($6.4m). During the corresponding period of 1982 the disclosed profit was R15.1m and in the year ended June 1982 it was R30.1m.

The directors say that the bank's cost of funds reached a cyclical peak in September/October and that in November prime overdraft lending rates were reduced from 20 per cent to 19 per cent and then to 18 per cent. This resulted in pressure in profit margins.

In addition the property portfolio continues to exert a negative influence on the bank's profitability and is expected to continue to do so until the portfolio is reduced to a level at which it can generate satisfactory returns.

Lion Match maintains turnover levels

By Our Johannesburg Correspondent

LION MATCH, the South African maker of matches and razor blades which is 64 per cent-owned by Wilkinson Sword of the UK, maintained a sound level of turnover growth in the 14 months ended November 30 1982.

Turnover during the 14-month period was R88.8m ($79m) against R63m in the year ended September 30 1981. Operating profit before tax was R14.9m against the previous year's R11.4m.

Sales of established Wilkinson Sword products have fallen, due in part to de-stocking and in part to a drop in consumer spending. In addition the match division has been faced with competition from cheap imports from Chile.

A total dividend of 46 cents a share has been declared from earnings of 93.2 cents a share. The year ended September 30 1981 saw earnings of 80 cents a share and a total dividend of 39 cents a share.

Wooltru ahead in first half

By Our Johannesburg Correspondent

FIRST-HALF turnover of Woolworths Truworths (Wooltru), the South African clothing, fashion and soft goods chain, rose by 19.3 per cent to R292m ($259m) from R245m in the half-year to end-December, while pre-tax income advanced by 7.1 per cent to R29m.

In the year ended June 26 1982, turnover was R495m and pre-tax profit R60.3m.

The interim dividend is unchanged at 20 cents a share while first-half earnings, including extraordinary items, rose to 43.3 cents from 41.7 cents a share. The year ended June 1982 produced earnings of 93 cents a share and a total dividend of 47 cents a share.

INTERNATIONAL

Royal Bank of Canada senior post

● THE ROYAL BANK OF CANADA has appointed Mr Robert C. Paterson, at present based in London, as its executive vice-president, treasury and money markets, from June 1. In this newly created position, Mr Paterson will be responsible for integrating the bank's Canadian and international treasury and money market operations into a single, bankwide function. He will be based in Toronto. He is chairman of RBC Holdings BV, a wholly-owned subsidiary which manages the bank's investments in a major group of banking and finance company subsidiaries in Europe, the Caribbean and the Far East.

● The U.S. Comptroller of the Currency has made Ms Deborah Smith Hechinger director of the securities and corporate practices division. Ms Hechinger was with the Securities and Exchange Commission where she was assistant director, division of enforcement.

● ALEXANDER & ALEXANDER SERVICES INC. has retained Mr Ian Henderson as a consultant on the holding company's corporate staff. Based at A&A's New York headquarters, he will handle special projects throughout the world. A Scot, Mr Henderson was most recently financial officer of The News Corporation — an Australian-based newspaper and publishing organisation. Prior to that, he was financial director for the London and overseas brokering operations of the Marsh and McLennan/C. T. Bowring Group. He also served as managing director of Bowring's information systems and communications subsidiary. He assisted in the creation at Lloyd's of the Systems and Communications Policy Board in 1981 and was an initial member of that board.

● GREAT NORTHERN NEKOOSA CORP has elected Mr Peter F. Yacavone president. Mr Yacavone, who is president of Great Northern Paper, a division of Great Northern Nekoosa, was also elected to the corporation's board of directors. Mr Robert Hellendale continues as GNN's chairman of the board and chief executive officer. He was also president of the corporation.

● Mr Vito T. Fabiano has been named controller of PITNEY BOWES CREDIT CORP, the Darien, Conn., finance subsidiary of Pitney Bowes Inc. He was controller of the Wheeler Group, the New Hartford, Conn., direct marketing division of Pitney Bowes Inc.

● SHIONOGI AND CO has promoted managing director Mr Kazuo Yoshiloshi to president. He succeeds Mr Zenpei Kita, who died on January 21.

● Dr Jakob Zgraggen, Mr Rolf Lienberger and Mr Heinz Schmid have been promoted to managers of BANK JULIUS BAER, Zurich.

UK APPOINTMENTS

Director for Sand and Gravel Association

Mr George E. Thirlwall has been appointed director of the SAND AND GRAVEL ASSOCIATION, in succession to Mr Charles Hey, who retires as chief executive next month. Mr Thirlwall retired from the Royal Air Force in 1979 with the rank of Air Vice-Marshal and was until last year director of the Ceramics, Glass and Mineral Products Industry Training Board, responsible for training for the sand and gravel industry, a role now discharged by the industry's own Quarry Products Training Company.

*

At CSE AVIATION the Duke of Leinster has become president. In his place Mr Rex Smith, previously managing director, becomes chairman and managing director, while Mr Michael Winand is appointed assistant managing director in addition to his responsibilities as financial director. Mr Gerry Ferrick, for many years financial director of CSE—The Oxford Air Training School—has retired and will be engaged as part-time consultant.

*

Mr Brian T. Stow has been appointed director of TACMA, the Association of Control Manufacturers, in succession to Mr Kenneth R. Phillips who has retired.

*

Mr Kurt Jepson, chairman of Morse Flexon, Letchworth, has been appointed a director of FLEXON, the group's recently-formed marketing company. Mr Nevill Poole, finance director of Morse Flexon, becomes company secretary of Flexon.

*

Mr John Mills has been appointed a non-executive director of POWELL DUFFRYN. He is managing director of the Molins Group.

*

Mr W. P. Bowman, group personnel director, United Biscuits, has been elected vice-chairman of the executive committee of the LONDON ENTERPRISE AGENCY (LEntA). Mr Alan Bland, assistant general manager, Legal and General Group, and Mr Michael Broomby, director of biotechnology, Wellcome Foundation, have joined the executive.

*

Mr Barrie Murray-Upton has joined the board of RACAL-REDAC as sales and marketing director responsible for co-ordinating overall marketing strategies including the sales activities of Racal-Redac GmbH in Germany and Racal-Redac Marketing in the UK, of which he was marketing director.

*

Mr Ian Malden has been appointed a non-executive director of RADIO CITY, Merseyside's independent radio station. He is chairman of Arthur Maiden, outdoor advertising contractor.

*

THE INSTITUTION OF METALLURGISTS has appointed Mr Bryan Donald Gibson as next registrar-secretary. He is currently deputy registrar-secretary and education officer and will succeed Dr G. L. J. Bailey on June 10 following the annual meeting.

UK COMPANY NEWS

Final-quarter boost reduces Hoover's 1982 loss to £6.97m

BY OUR FINANCIAL STAFF

HOOVER's recovery accelerated in the final quarter of 1982 as the company reaped the benefits of the removal of hire purchase controls in the UK and lower interest rates.

For the period, this manufacturer of domestic appliances edged back into the black, turning round from a loss of £16.61m to a profit of £22,000 and cutting the full year's deficit by £24.18m to £6.79m.

In addition, the directors say the future augers well, with the group's product-led expansion programme under way and further new models shortly to be introduced.

For the year, total sales finished some 5 per cent lower at £191.2m, the contribution from the last three months being £51.24m against £54.49m. On the UK side they showed an improvement, but fell in some overseas areas, particularly Australia, where economic conditions remained extremely difficult.

Major rationalisation led to reduced expenses as the year progressed taking the group to a £1.38m trading profit (£5.27m loss) in the final quarter and reducing the full year deficit from £10.46m to £2.08m – the 50 per cent owned Hoover (Holland) contributing a £277,000 profit (£1.36m loss).

The costs of this programme for the 12 months were £1.03m compared with £17.24m. Reduced borrowing also enabled interest charges for the fourth quarter to be halved from £1.14m to £558,000, although those for the full year were still higher at £3.69m against £3.28m.

Tax took £884,000 (£835,000) leaving the company £7.67m (£31.81m) in the red at the net level and losses per share at 39p (160p). On a CCA basis the taxable deficit was £12.5m (£32.94m).

Tomatin seeks new capital

By Ray Maughan

TOMATIN DISTILLERS, the largest independent producer of malt whisky filling for the blending industry, is preparing details of a major capital reconstruction.

The terms, to be announced by next month at the latest, are expected to comprise a subscription for £3m nominal of convertible preference stock. It is understood that the stock will carry a net coupon of 7 per cent and will convert to equity on a one-for-four basis.

The reconstruction is being prepared against a background of deeply depressed demand for Scotch whisky and the recent announcement by Distillers, which is self-sufficient in whisky fillings, that it is to make 530 employees redundant in the closure of 11 of its 45 malt distilleries

Tomatin lost £1.4m before tax in 1980 and £2.37m in the following year. In April 1981 the giant Dutch brewing group, Heineken International, aquired a 20 per cent holding at 115p per share. Negotiations started with Heineken for the international distribution of a branded Scotch whisky. Seven months later, Tomatin secured long term funds through a £3m loan from Finance for Industry.

The loan agreement gave FFI an option to subscribe for 750,000 shares at 90 per share until 1989.

In the first half of last year, Tomatin would have lost £1.15m before tax had it not been for a £1.25m cereal refund.

The chairman, Mr A. P. de Boer, forecast at the end of last September that there was unlikely to be any improvement in the second half of the year, given the continued de-stocking throughout the industry, and the trading loss for the period would be about the same as that for the first six months.

Rush for Superdrug issue

By Dominic Lawson

THE OFFER for sale of 8.8m shares in discount retailer Superdrug Stores has been heavily oversubscribed.

Bankers to the sale, Baring Brothers, were last night giving no indication of the extent of the oversubscription, and said that Barclays Bank new issue department was still busy sorting through the applications.

The application list closed at 10.01 yesterday morning, a minute after it opened. However the Barclays branch at London's Farringdon Street opened early in order to even out the rush of would-be investors.

Sorting staff at Barclays described the scene as "hectic."

In the week after Associated British Ports drew £740m of investor's money, some analysts felt that Superdrug could have attracted as much as £1bn.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
112	F.P.	—	138	129	Assoc. British Ports	137	−1	b7.0	1.5	7.3	13.0
§108	F.P.	13/1	238	140	‡Baltic Leasing 5p	233	−2	b2.8	5.5	1.7	16.4
‖	F.P.	—	17½	12	‡Booth (Charles) 5p	17	......	—	—	—	—
§100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105	......	—	—	—	—
§74	F.P.	21/1	158	103	‡Canvermoor	127	......	b3.64	2.0	4.1	14.4
§38	F.P.	—	100	90	‡HB Elect Comps 10p	92	......	u1.12	3.2	1.7	20.7
§150	F.P.	14/1	215	155	‡Memory Comp Ir10p	205	−5	bQ28.8%	5.6	1.1	22.3
§190	F.P.	4/3	388	305	‡Microgen	310	+5	b4.0	2.9	1.8	25.5
§155	F.P.	7/1	255	200	‡Munford & White	223	......	b2.5	2.4	1.7	35.3
§93	F.P.	4/2	198	145	‡Resource Tech. 10p	155	+2	—	—	—	31.7
‖	F.P.	—	110	93	‡Sinclair (Wm.)	93	−4	‡4.25	1.0	6.6	22.5
‖	F.P.	—	105	85	Do. Defd.	85	−2	—	—	—	—
120	F.P.	—	125	100	‡Swindon Priv Hos £1	105	......	—	—	—	—
§10½	F.P.	—	78	15	‡Tops Estates 10p	65	+5	—	—	—	—
§160	F.P.	12/2	340	265	‡WightCollinsR $10p	303	......	bd2.75	3.3	1.3	33.8
—	F.P.	3/3	25	21	Yorks & Lancs. W'rrnts	21	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
‡‡	F.P.	—	97	88	Anglo Nordic 10% Cnv. Uns. Ln. 1989	27	......
97.504	£25	4/3	29½	15¾	BOC 12¼% Uns. Ln. 2012-17	20½	+¼
99.431	£20	10/4	21⅞	12	Birmingham 11½% Red. 2012	14½	−½
‡	£10	24/3	11¼	11	East Surrey Water 7% Red. Pref. 1988	11	......
‡‡	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2002	90½	+½
‡	£10	—	10	10	Mid Sussex Water 7% Red. Pref. '88-90	10½	......
—	—	—	101¼	99	Nationwide Bdg. Soc. 11⅞% Bds. 25/1/84	100¼	......
—	—	—	100⅜	100	Do. 11⅞% Bds. 15/2/84	100½	+½
§97.174	£25	5/5	25½	22	Pearson (S) 13% Uns. Ln. 2007	25½	+¼
96.55	£25	8/7	28	23½	Sweden 13⅛% Ln. Stk. 2010	27½	......
‡‡	F.P.	22/2	92	85	Transcont. 9% Cnv.Red.Uns.Ln.Nts.1995	92	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date		1982/3 High	1982/3 Low	Stock	Closing price	+ or −
250	Nil	25/2	28/4	45pm	25pm	AGB Research 10p	42pm	+2
28	F.P.	28/1	18/2	370	94	Arlen Elec.	355	......
3½	Nil	—	—	13pm	9pm	Audiotronic 2½p	9pm	−2½
90	F.P.	28/1	18/2	127	108	Bellway	126	......
50	F.P.	8/2	9/3	55	46	Cluff Oil 'B'	50	......
75	Nil	—	—	17pm	12½pm	Dominion Int. 20p	15pm	......
90	Nil	21/2	7/4	54pm	40pm	Grosvenor Group	46pm	+2
60	F.P.	14/1	11/2	79	65	ICL	75	−5
45	F.P.	14/2	11/3	60	51	LCP	59	......
27	Nil	21/2	7/4	6½pm	5pm	Mount Charlotte 10p	7pm	−½
95	F.P.	7/2	21/3	122	106	NSS News 10p	120	+2
60cts	Nil	—	—	8½pm	1pm	Rand Lon. Corp. 15cts	1pm	......
58	F.P.	3/2	29/4	69	61	Stakis 10p	69	......
400	Nil	—	—	87pm	80pm	Ultramar	83pm	−2

Jeavons' profit slips to £601,000

BY DAVID DODWELL

JEAVONS Engineering, subject of a £4m bid from Newman-Tonks, the Birmingham-based manufacturer of products for the engineering and building industries, achieved a trading profit of £601,000 in the 12 months to December 1982, down from £631,000 in 1981.

The company's sales were £6.3m, compared with £5.6m, according to figures released as part of the Newman-Tonks offer document. Jeavons has no borrowings.

Jeavons, which makes gas supply regulators and compression fittings, was until August 1981 a wholly-owned-subsidiary of Pentos, the loss making conglomerate which spans publishing, engineering and construction.

At that point Pentos sold 60 per cent of its holding to reduce debts and interest costs. The agreement by Pentos to sell its remaining 40 per cent stake, again to reduce the cost of debts, enabled Newman-Tonks to mount an agreed bid for Jeavons. Newman-Tonks tried unsuccessfully to bid for the company a year ago.

The terms of the bid are one ordinary Newman-Tonks share for every one Jeavons. Full acceptance will involve the issue of 5.6m Newman-Tonks shares, based on a price of 72p per share.

Hill Samuel has agreed to underwrite a cash alternative of 66p for every ordinary Jeavons share.

THE MIGHTY AND THE MINNOW WORK TOGETHER

'Abbey' unites with a bank

BY WILLIAM HALL, BANKING CORRESPONDENT

ABBEY NATIONAL, Britain's second biggest building society, and the Co-op Bank, the UK's smallest retail bank, have joined forces in a number of key areas.

The association follows last month's links between Midland Bank and Nationwide, and National Westminster and the National & Provincial Building Society, to issue Access credit cards to their building society customers.

It underlines the speed with which the divisions between building societies and banks are blurring as each attempts to move into new markets.

The Co-op Bank and Abbey National link-up has considerably wider scope than the earlier moves by Midland/Nationwide and National Westminster/National & Provincial and could result in serious competition for both banks and building societies.

Mr Lewis Lee, the Co-op Bank's chief general manager, and Mr Clive Thornton, Abbey National's chief executive, are both regarded by their respective rivals as rather buccaneering characters who are not bound by the respective rules of their "clubs," the Committee of London Clearing Bankers (CLCB), and the Building Societies Association, to which they nominally belong.

It would be an understatement to say that rival retail banks and building societies are unhappy about the association of these two mavericks.

They are all watching anxiously to assess the sort of competition that might emerge. They are all very conscious that Mr Thornton's last major initiative, his seven-day deposit account, has attracted £1.5bn in only eight months.

The key to the association is that Abbey National gains access to the clearing bank system through the Co-op Bank's membership of the CLCB, and the Co-op Bank increases its own effective branch network more than tenfold, as Co-op Bank customers will be able to cash cheques at Abbey National's 700 offices.

The main areas of co-operation, the first of several joint moves expected, are as follows:

- The Co-op Bank will provide a clearing service for Abbey National's Cheque-Save scheme, which will be announced *next* week. Although details are still secret the new savings account will pay a range of interest rates provided investors deposit more than a minimum initial sum, say £200. The account will have a cheque book but no cheque guarantee card;
- The Co-op Bank's 750,000 customers will be able to cash personal cheques of up to £50 value at Abbey *National's branches. In addition*, the Abbey National will provide mortgage funds for Co-op Bank customers, although the Co-op Bank, which has £40m of mortgage lending, intends to retain a presence in this area;
- Abbey National customers will be able to apply for a Co-op Bank Visa credit card and will be able to borrow money on this card at an interest rate of 1.75 per cent, an annual percentage rate of 23.1 per cent;
- Abbey National and the Co-op Bank will work together in joint ventures concentrating on urban renewal. Abbey National will finance the housing and the bank will finance commercial and industrial development.

The Co-op Bank and Abbey National have worked on their joint venture for several months and have been annoyed by the obstacles which the clearing banks, in particular, appear to have placed in the way of their joint, cheque-clearing initiative.

The Abbey National had first approached Barclays Bank for help in clearing its cheques but was turned down and Mr Thornton does not hide his displeasure at this rebuff, especially as Barclays is co-operating with Halifax, Abbey National's arch-rival, on a similar sort of venture.

Mr Thornton sees the new service as being a key instrument in raising funds for Abbey National. "My main concern is to bring more money into Abbey National to put into housing," he says. He would be pleased if his new Cheque-Save scheme attracted £500m by the end of the year but admits that after his experience with the seven-day deposit he could be underestimating the potential.

In this respect his service differs from the Access credit card links of Nationwide and National & Provincial, which appear to be aimed at providing a service to existing customers rather than an important funding tool for the building society concerned.

Abbey National's scheme has changed from its original outline in that no cheque guarantee card is being issued, contrary to earlier expectation.

One of Mr Thornton's aides explains: "We are not issuing a cheque guarantee card because that is not the market we are going for. We are not going to do banking business and we do not want to move into the high volume chequing business."

"We shall be providing a savings account with a very good means of access."

Abbey National sees the new account as being used to pay utility and credit card bills rather than small payments.

At first sight the deal does little for the Co-op Bank, which is a minnow compared with Abbey National. It is also marketing its own cheque-and-save account, and the new Abbey account could divert funds away from this.

In addition, the Co-op Bank has always boasted that its customers have unrivalled cheque-cashing facilities through their use of the several Co-op retail stores around the UK.

The main attraction for the Co-op Bank appears to be that the deal will enable it to make greater use of its own under-utilised clearing facilities in London, which are a drain *on the bank's profitability*. It has already signed up National Girobank and Citibank, and others are in the pipeline.

This might cause a few raised eyebrows at the CLCB but the Co-op Bank, which has always been accorded the status of a second-rate club member, has turned its back on club membership. When the Co-op Bank joined eight years ago "we said we would be in it but not of it," says Mr Lee.

The last word comes from Mr Thornton, who notes that building societies used to issue cheques last century and also build houses. That was why they were called building societies. "All I am trying to do is get the clock turned back," he says.

Godfrey Holmes to buy 17 Cape branches

BY OUR FINANCIAL STAFF

CAPE AUTOMOTIVE, a subsidiary of Cape Industries, is to sell 17 of its automotive distribution branches to Godfrey Holmes, a subsidiary of *Smiths Industries, for about £1m*. It is to close a further seven branches, reducing its total of distribution outlets to 21.

At the beginning of last year, Cape Automotive had 56 distribution branches. But eleven were subsequently closed. The company employed 400 people in its 45 remaining branches. Of these, 140 will become Godfrey Holmes employees.

The sale comes after two years of increasing losses on the distribution side of Cape Automotive's business. These stretched into six figures in 1981, and figures due to be released next month are unlikely to show much improvement.

Nevertheless, Cape Automotive as a whole managed to earn a £325,000 pre-tax profit in the six months to June 30 last year, largely due to profits on the friction manufacturing side. This compared with a half-year loss of £173,000 in 1981.

The automotive business accounted for about 20 per cent of Cape Industries' overall turnover in the financial year ending in December 1981. The major share of earnings comes from fire protection, insulation, brake linings and building products.

Mr William Doughty, Cape Industries' managing director, said yesterday that the group does not expect Automotive's distribution activities to make a loss in 1983: "The company is looking at the future of *its overall distribution activities*," he said.

All of the outlets bought by Godfrey Holmes are in East Anglia and the Midlands, a "part of the map" that the group would like to be better covered in, according to Mr Gerry Mortimer, special director and economic advisor to Smiths Industries.

The purchase raises Godfrey Holmes' distribution network to 78 outlets, with greater strength in the east and south east of England.

It is understood that Godfrey Holmes could eventually expand to about 100 outlets, though discussions on the possible purchase of all of Cape Automobile's outlets proved unfruitful.

Godfrey Holmes is the "flagship" of Smith's distribution sector. In the 12 months ending in July last year, distribution had sales of £61.65m, out of the group's overall sales of £386m. The sector's pre-tax profits amounted to £1.15m, compared with group profits of almost £31m.

Commenting on Godfrey Holmes' profitability, in contrast with losses widely reported by competitors, Mr Mortimer said: "We have always concentrated on service – and that means customers have tended to stay with us."

MINING

RESULTS IN BRIEF

■ ARIEL INDUSTRIES
Industrial fastner maker

Half-year to Sept 30	1982	1981
	£	£
Sales	4.43m	3.58m
Pre-tax profit	15,400	24,100*
Tax	–	–
Attributable profit	46,400*	48,300*
Earnings per share	0.8p	0.8p*
Dividend	–	0.541

* *Loss*

■ BOGOD-PELEPAH
Sewing machine distributor

Half-year to Sept 30	1982	1981
	£	£
Sales	3.42m	3.2m
Pre-tax profit	40,000	3,000
Tax	6,500	–
Attributable profit	33,500	3,000
Earnings per share	0.314p	0.028p
Dividend	0.1p	–

■ EPICURE HOLDINGS
Property construction and hotels

Half-year to Dec 31	1982	1981
	£	£
Sales	9.95m	5.84m
Pre-tax profit	703,000	340,000
Tax	183,000	100,000
Attributable profit	–	–
Earnings per share	2.6p	2.1p
Dividend	0.78p	0.625p

■ HADLAND HOLDINGS
Photographic instrument manufacturer

Year to Oct 31	1982	1981
	£	£
Sales	4.32m	4.3m
Pre-tax profit	518	159,242
Tax	4,085	30,197
Attributable profit	–	–
Earnings per share	0.1p*	0.4p
Dividend	2.52p	2.52p

* *Loss*

■ HARVEY AND THOMPSON
Pawnbrokers

Half-Year to Jan 1	1982	1981
	£	£
Sales	472,435	461,872
Pre-tax profit	31,687	101,061*
Tax	1,100	–
Attributable profit	49,037	35,188
Earnings per share	0.07p	3.21*
Dividend	–	–

* *Loss*

■ NOTTINGHAM MANUFACTURING
Clothing, carpets and textiles manufacturing

Year to Dec 31	1982	1981
	£	£
Sales	214.37m	192.79m
Pre-tax profit	21.29m	19m
Tax	5.41m	5.82m
Attributable profit	–	–
Earnings per share	21.4p	18.8p
Dividend	5.1	4.5p

■ PLASTIC CONSTRUCTIONS
Manufacture of anti-pollution and corrosion-resistant equipment for engineering and chemical industries

Year to Sept 30	1982	1981
	£	£
Sales	9.29m	9.06m
Pre-tax profit	91,278	183,343
Tax*	70,696	16,545
Attributable profit	210,461	195,314
Earnings per share	3.43p	4.13p
Dividend	2.17p	2.1p

* *credits*

■ TRUST OF PROPERTY SHARES
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	31,813	26,181
Tax	11,350	9,104
Dividend	0.3125p	0.25p
NAV per share	10.45p	11.41p

INVESTMENT TRUST OF GUERNSEY
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	680,000	615,000
Tax	–	–
Dividend	3.6p	5p
NAV per share	115.3p	113p

■ LANCASHIRE AND LONDON
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	184,518	191,496
Tax	63,899	69,430
Dividend	2.875p	2.875p
NAV per share	110.9p	95.4p

Carbide explores gold business

BY GEORGE MILLING-STANLEY

AMERICA's Union Carbide Exploration has moved into gold development in Canada through the purchase of a 50 per cent interest in Consolidated Professor Mines' partly developed property at Shoal Lake in north-western Ontario.

Carbide has already paid Professor C$400,000 (£213,000) towards the cost of its participation, and will have to pay over an additional C$1m and spend a further C$10m on exploration in order to maintain its half share.

Surface drilling has started to confirm areas of previously inferred mineral reserves. These are now put at 2m tons, grading an average of 0.3 ounces (9.3 grammes) of gold per ton.

The mining industry will be in a "calamitous position" if South Africa inflation stays well above its major trading partners without any compensatory adjustments to exchange rates, according to Mr Ted Pavitt, chairman of General Mining Union Corporation (Gencor).

Australia's Swan Resources has extended its interests in gold exploration by taking a one-third share in a mining lease north-west of the Mount Charlotte mine at Kalgoorlie on the Golden Mile of Western Australia.

Ranger's profits on uranium reach £15m

BY OUR MINING STAFF

IN CONTRAST to much of the rest of the world's mining industry, the Ranger uranium mine in Australia's Northern Territory continues to record good profits for Energy Resources of Australia (ERA), the operating company.

ERA made a net profit of A$24.02m (£15m) in the six months to the end of last December, and has declared its first interim dividend of five cents a share, payable on May 31.

The group's only other dividend was a payment for four cents for the 12 months to June 30 1982 after full-year attributable profits if A$37.86m.

Comparisons between the latest figures and previous periods are difficult, as Ranger got into its stride only with the opening of the Jabiru treatment plant in September 1981.

Profits for the last three months of 1981 were A$7.73m. There was no tax charge during the first three months of operation, while A$28.99m was paid in the latest period.

Ranger has contracts running until 1986 for the supply of more than 30,000 tonnes of uranium to consumers in Japan, West Germany and Sweden.

Lorne deeper in red as production grows

BY KENNETH MARSTON

THE Rio Tinto-Zinc group's Canadian Lornex operation in British Columbia moved deeper into the red in the final quarter of last year, despite sharply increased production of molybdenum and copper.

As a result 1982's total net loss is C$11.14m (£5.88m), or C$1.35 a share, compared with a 1981 net profit of C$23.25m.

In line with the expansion in mine and milling capacity the amount of ore milled last year rose by 34 per cent to 30.7m tons. Molybdenum production rose 33 per cent and that of copper was 18 per cent higher.

The very low prices ruling for the two metals, however, left Lornex with a loss. This year copper prices have improved but the outlook for the steel-hardening molybdenum remains poor.

Meanwhile, Lornex says construction of the Bullmoose metallurgical coal project is expected to be completed on time and within budget. The company has a 39 per cent stake in Bullmoose and its share of investment in the project is C$135m, of which C$34.8m had been expended at end-1982.

Drilling activity is in full swing at the Noranda-Golden Sceptre-Goliath Gold Mines ground at the new Hemlo gold exploration area in north-western Ontario. Four drills are being used to explore and delineate further the main ore zone.

Two other drills are at work on the portion of the neighbouring ground acquired by Noranda from International Corona Resources, as is where Noranda intends to sink a shaft which will be used to mine the Golden Giant deposit on the Golden Sceptre-Goliath claims.

Three of these claims, notably the one which covers the Golden Giant deposit, are the subject of a dispute between Noranda and the Little Long Lac group.

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk. of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%. £10,000 up to £50,000 8¾%. £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

UK COMPANY NEWS

Foundry losses wipe £2.42m off Birmid trading profits

BY OUR FINANCIAL STAFF

DOUBLED losses on the foundry side wiped £2.42m off Birmid Qualcast's trading profits for the year to October 30 1982 and, with redundancy costs £1m higher, pushed the group well into the red at the pretax level.

Nevertheless, a net final dividend of 0.9p is being paid, for a total 1p (1.5p). Mr James F. Insch, chairman, says better results should be achieved for the current year even at current levels of activity.

Further rationalisation of the foundry division has taken place and Birmid has now agreed to sell its 50 per cent interest in Autocast (Proprietary) for £1.54m cash to the other joint-holder, Messina. The net book value of the group's Autocast stake at the year-end w as £1.17m.

The taxable loss of £1.44m (£1.84m profits) represents a sharp turnround from a £3.45m profit to £1.01m deficit in the second six months. Mr Insch says the reduction in demand in the automotive sector was much worse during this period than had been expected.

The foundry division's substantial losses resulted from this and the fact that the decline started from a particularly low level of activity.

A decline in the diesel engines market was a prima reason for forcing further rationalisation of foundry capacity – the workforce here has been cut by 50 per cent since 1980. Redundancy costs in the division amounted to £1.24m (£346,000) for 1981-82 and, added to the £146,000 (£21,000) in respect of home and garden equipment activities, increased the total burden from £367,000 to £1.38m.

A divisional breakdown of turnover £164.06m (£178.27m) and trading profits £2.63m (£5.06m) shows: engineering and electrics £15.35m (£17.83m) and £125,000 (£910,000 loss), foundries £78.33m (£89.78m) and £5.55m (loss £2.75m), heating £29.32m (£23.84m) and £5.93m (£4.31m), home and garden equipment £41.06m (£46.82m) and £2.55m (£4.37m). Miscellaneous activities suffered a 420 deficit (£42 profit).

Interest charges fall from £3.74m to £2.65m but the contribution from associates reversed from a £686,000 profit to a £43,000 loss. Of this some £22,000 was in respect of Autocast.

Tax took £495,000 (£703,000) for o net loss of £1.93m (£932,000 profit). On this basis, losses per 25p sbare are given at 2.9p (1.5p earnings) whila on a nil distributioo they are stated at 2.5p (2.2p earnings).

Mr Insch points to the good performances by the heating and engineering and electronics divisions, and emphasises that the home and garden equipment side maintained its share of the lawnmower market, even if adverse weather reduced turnover and profits.

■ BIRMID QUALCAST
Foundry products

Year to Oct 30	1982	1981
	£	£
Sales	164.06m	178.27m
Pre-tax profit	1.44*	1.84m
Tax	495,000	703,000
Attributable profit	6.68m*	40,000
Earnings per share	2.9p*	1.5p
Dividend	1.0p	1.5p

* Loss

Beazer bids for Second City

BY CHARLES BATCHELOR

C. H. BEAZER (Holdings), the West of England housing and building materials group, is making o £15.9m shares and cash bid for Second City Properties, a West Midlands property developer.

Beazer's offer comes less than three weeks after its revised £13.7m offer for R. Green Properties was successfully topped by Throgmorton Trust.

Second City and its financial advisers, Samuel Montagu, yesterday recommended shareholders to take no action. Neither had received a formal approach from Beazer and the board cannot assess its merits until it has studied the offer document.

Mr Brian Beazer, the Bath-based company's managing director, said, however, there bad been "informal, indecisive discussions"

Beazer acquired 1,698,276 Second City shares oo Monday at 54.32p each and equivalent to 7.21 per cent of the equity. Together with the 50,000 shares previously held, Beazer owns 7.42 per cent of the Second City equity. It is now offering one new Beazer share and 85p cash for every five Second City shares.

Based on the middle market quotations for Beazer and Second City's shares of 252p and 57p respectively on February 15, the offer values each Second City ahare at 67.4p, an increase of 18.2 per cent.

Beazer achieved pre-tax profits of about £4m on turnover of about £48m in the year ended June 30 1982.

Geers Gross calls for £4.3m

By Mary Ann Sieghart

GEERS GROSS, tha advertising agency, is to raise £4.3m by way of a one-for-four rigbts issue. The 2.6m new shares are priced at 163p each. Yesterday, Geers Gross shares fell 13p to close at 185p.

The proceeds of the issue will go towards paying off the $6m medium-term loan facility which bad been drawn on to fund the acquisition of the U.S. agency, Kurtz and Tarlow. The balance will be used for workiog capital.

Tha company bas estimated thal profits for the calendar year of 1982 will be not less than £1.75m, compared with £1.02m for 1981. The final dividend will be 2p, making 4p for the year – an increase of 25 per cent over the previous year. The new sbares will not rank for tha final dividend.

Althougb the company makes no profit forecast for the current year, it expects to recommend total dividends oo the increased capital of not less than 4p o share, with 2p payable at tha interim stage.

Mr Charles Hoare, the chairman, said yesteday: "We thought about a rights issue towards the end of last year, but now seemed to be the most opportune time for us to raise some money in the market – the market is high, and our share price is high. It seemed to be the most sensible thing to do."

The issue circular will be published today. The latest date for acceptance and payment is March 11. Underwriters to the issue are Sheppards and Chase.

RAY MAUGHAN LOOKS BEHIND THE LATEST BID FOR UDS

Hanson confident Heron will bow out

ONE of the quirkier reactions to the announcement yesterday morning that **Hanson Trust** had agreed to bid for UDS was the movement in the price of BET shares.

BET, formerly British Electric Traction, slumped 20p at one point before closing on a slightly more even keel at 198p, down 16p on the day. The speculators had been chasing the wrong target all week. Hanson now wants to be a draper: it was not lining up BET in its bid sights at all.

The stock market's earlier enthusiasm for BET, misplaced though it turned out, is quite understandable. Almost any company can be made to fit Hanson's takeover criteria. Any company that is which operates in a mature, low or medium technology market where Hanson wants to put its management talents to work.

Hanson can best be described as an industrial management company. Its long list of interests — such as bricks, batteries, textiles, plant hire, animal feeds and the like — hardly rates as one of the glamorous, high growth, 21st century skills' businesses. But the application of stringent management controls, and a shrewd divestment policy, have generated profits and cash flow in plenty to fund a near constant stream of acquisitions.

It is symptomatic of Hanson's approach to cash generation that when up-dating the group's liquid position since the September 30 balance sheet date, Mr Martin Taylor, the finance director says: "We've been trading since then so we're presumably creating cash."

For the record, Hanson currently has £183m of liquid funds excluding its convertible loan stocks and £20m of net debt. Interestingly, the UDS bid is entirely in equity.

Hanson revealed yesterday that it has been looking at UDS for quite some time, although in the light of the sheer number of takeover proposals which cross the desks of its headquarters staff, Mr Taylor was not exactly sure when drapery became a serious proposition.

It was however at some point after Heron Corporation set the bid rumpus rolling last summer when it first declared a 5.1 per cent stake in UDS.

Heron joined a consortium of leading institutions to form Bassishaw Investments and bid first £191m and then £217m for the whole of UDS.

Bassishaw sent its revised formal offer to UDS shareholders yesterday, "just to keep the ball rolling." But the problems of effecting a co-ordinated response to Hanson's terms when leading members of the consortium are in the U.S. means that the initiative rests, for the moment, firmly with Hanson.

Hanson is confident that Bassishaw has now fired its last shot leaving Heron to bow out with a substantial profit on its UDS holding. Not that Hanson is shy of fighting contested, three-cornered bid battles and, indeed, slugged out a tight battle for control of Berec with Thomas Tilling.

Hanson has made nine successful takeovers worth over £10m individually since 1973, principally the £99m acquisition of Berec, subsequently renamed British Ever Ready, and the $180m purchase of the McDonough footwear, building materials and hand tools business in the U.S.

McDonough provides the footwear link which Hanson wants to develop on this side of the Atlantic through UDS's small but successful William Timpson and John Farmer shoe retail chains. McDonough—through its Endicott Johnson division—manufactures, distributes and sells a wide range of shoes and sports footwear through almost 700 outlets in the U.S.

Endicott's trading profits have risen from £7.8m before tax and interest in the nine months after its acquisition in 1980 to £16m in the following 12 months.

Both McDonough and Berec provide ample evidence of Hanson's ability to fund large slabs of its acquisitions by selling at very attractive prices, those operations not considered essential to the core business.

Hence, Ever Ready's principal competitor, Duracell acquired the barely profitable European battery operations for £37m. This together with much surgery elsewhere cut Hanson's total consideration for Berec to a little over £50m—which the three remaining divisions could well match in terms of pre-tax profits inside three years.

Hanson also recouped $49m of the McDonough outlay by selling its building materials subsidiaries to the Marmac Corporation, run by the former owner of McDonough.

The deal was struck at twice asset value and commenting on it last year, a perplexed Mr James Capel said: "It remains unclear as to why Mr Bernard McDonough should have been willing to pay such a seemingly high price for assets formerly under his control so soon after striking the initial takeover price."

If Hanson now wants to sell on a major part of UDS then there is a very willing buyer ready and waiting for the John Collier and Richard Shops chains. Mr Ralph Halpern wants these businesses and successfully sold the idea to the City that these offer very favourable medium-term growth prospects to his Burton Group.

Now that deal, successfully concluded with UDS and scheduled to go for shareholders' approval at meetings on March 4, goes back on ice while Hanson "reviews the position."

Sir James Hanson, chairman of Hanson, was meeting Mr Halpern last night to discuss the John Collier and Richard Shops proposals—and the Burton camp was confident that at least this facet of the complicated tussle for control of one of Britain's largest High Street retailers would not be changed.

Habitat buys Heal's for £4.8m

BY DAVID DODWELL

THE Habitat Mothercare group, beaded by Sir Terence Conran, has agreed to buy Heal & Sons, the higb quality furniture group, for just over £4.8m.

The deal will involva Heal's substantially reducing the amount of floor space it uses at its 220,000 square foot furniture and furnisbings sbop in Tottenbam Court Road in London. Part of the space will be taken over by Habitat, whicb will then move out of premises 100 yards away.

The deal also envisages setting up a chain of up to 12 Heal's shops *across the UK*. The company, which was established in 1810, has only two outlets at present – the maio shop in London, and a smaller one in Guildford.

Habitat, established in 1964, is offering £38 in cash for every £1 ordinary share in Heal's, and £1 in cash for every 4.2 per cent Cumulative Preference sbare of £1.

As an alternative to cash, Habitat is offering £41 oominal of its 9½ per cent Convertible Loan Stock for every two ordinary Heal's shares. It will make a further issue of the stock for the purpose, with a value equivalent to 185p for every £1 nominal of the stock.

The offer has been unanimously recommended by the board, which represents 11.5 per cent of the *company's shares*.

It has already beeo accepted by shareholders accounting for 54.3 per cent of Heal's issued shares.

The purchase comes just a year after Habital's purchase of the Mothercare group, and forms part of a company policy to establish clearly identified parts appealing to customers across a wide age-range, Sir Terence said. Customers who "grow out" of Habitat are envisaged "growing into" Haal's as they become increasingly affluent.

Mr Oliver Heal, wbo succeeded his father as chairman of Heal's two years ago, said yesterday that the deal is likely to lift the company into profit

He said Habitat offered Heal's the resources to expand, and brougbt experience of operating in cities throughout the UK. He nevertheless insisted that Heal's would continue to sell bigh quality furniture

Telecom charges to be public

By Peter Riddell

BRITISH TELECOM and Mercury, the private sector telecommunications consortium, will be required by the Government to publish details of their tariffs and charges.

An amendment to the Telecommunications Bill was tabled yesterday by Mr Kenneth Bakar, the Minister for Informatioo Technology, and is likely to be debated next week by the Commons committee on the Bill.

The change is being regarded as significant by the Government as part of its attempt to ensure fair competitioo for all providers of telecommunications services.

Banking helps push Goode profits up

BY OUR FINANCIAL STAFF

IMPROVED banking results at Goode Durrant & Murray Group belped expand pre-tax profits by 20 per cent from £2.3m to £2.77m for the year to the end of October 1982. The turnover of this bolding company, with interests in financing and property developing as well as banking, amounted to £81.96m against £81.74m.

The net dividend has been lifted from 0.875p to 1p – earnings per 5p share are given as rising from 6.1p to 7.8p.

Banking services confirming and financing contributed £1.18m (£826,000) to pre-tax profits. House-building and construction gave £731,000 (£710,000), and a retail department store £802,000 (£741,000), with income from rents, dividends and sundry sources amounting to £59,000 (£24,000).

An analysis of profits by region showed a 35 per cent increase in UK profits and a rise of 11 per cent in earnings from overseas.

Tax took £893,000 (£796,000) and minorities came to £34,000 (£33,000). Extraordinary credits this time amounted to £17,000 (dabits £61,000), leaving attributable profits higher at £1.86m against £1.53m. Dividends absorb £257,000 (£227,000).

The balance of reserves at October 31 1982 was sbown as £11.09m (£9.67m). Shareholders' funds rose by £1.42m to £12.79m. Current cost adjustments reduced tha taxable profits to £2.1m (£1.5m) and earnings per share to 4.9p (2.7p).

Canal Randolph board battle set for delay

BY OUR FINANCIAL STAFF

THE ANNUAL meeting of U.S.-based real estate company, Canal Randolph Corporation, which is set to be the venue for a fiercely-contested bottle for board control, is likely to be postponed from the scheduled date of Marcb 9, Mr Raymond Frencb, the company's chief executive, said yesterday.

The company, which is quoted both in New York and London, is chaired by Sir Walter Salomon, head of Rea Brothers, tha London merchant bank.

A proxy battle for control of the company was declared in December by *Mr Asher Edelman. In January,* Mr Edelman filed lawsuits against Sir Walter in a Delaware court alleging contravantion of Securities Exchange Commission (SEC) laws.

Postponement of the annual meeting is "90 per cent likely," according to Mr French, because of delays in compiling materials necessary for the proxy contest at the annual meeting.

Essential documents have yet to be released by the SEC. Unless this happens over the weekend, postponement of the annual meeting will be unavoidable. Mr French said the delay would be unlikely to be more than 10 days.

The hearing in the Delaware court is due to be beld next week, though delays in preparation of evidence may put that back by a week. If Mr Edelman'a charges are upbald *then Sir Walter, along with share*bolders representing about 26 per cent of Canal Randolph's shares – who are in U.S. law defined as part of Sir Walter's beneficial bolding in the company – may be forbidden from voting at the annual meeting.

RESULTS IN BRIEF

■ LONDON AND LOMOND
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	1.37m	1.18m
Tax	464,836	387,969
Dividend	4.2p	4p
NAV per share	175p	140p

■ SCOTTISH AND MERCANTILE
Investment Trust

Half-year to Sept 30	1982	1981
	£	£
Pre-tax revenue	238,615	269,085
Tax	91,642	110,126
Dividend	2p	2.5p
NAV per share	281.7p	228p

FT COMMERCIAL LAW REPORTS

Contingent payment is future book debt

RE BRUSH AGGREGATES LTD

Chancery Division: Mr Robert Wright, QC. February 11 1983.

WHERE A company assigns a contingent right to payment, the assignment is a charge on future book debts if on its true construction it assigns the money rather than the contingent contractual right; and accordingly if the charge is unregistered it will be void as against the liquidator in the event of the company's winding up.

Mr Robert Wright QC, sitting as a Deputy High Court Judge of the Chancery Division, so held wben giving judgment for the liquidator of Brush Aggregates Ltd (the company) against asignees of contingent payment due to the company, on a preliminary issues as to whether the assignments ought to have been registered.

Section 95 of the Companies Act 1948 provides: "... every charge created by a company ... shall ... be void against the liquidator ... unless [registered] within 21 days ... (2) This section applies to the following charges:— ... (e) a charge on book debts of the company."

* * *

HIS LORDSHIP said that the company agreed to sell a sand and gravel pit to Amey Roadstone.

The agreement provided for adjustments of payment depending on the amount of sand and gravel reserves, and on whether Amey was able to acquire the right and planning permission to work reserves on adjoining land.

After long delay, some £100,000 eventually became payable. The delay caused embarrassment to the company, which had a number of creditors. To cope with the situation it assigned portions of its right in the £100,000, or its right to receiva that money.

A winding up order was made on the company on July 31, 1978. There were a number of disputes between the assignees and the liquidator.

In the present preliminary issue the question was whether the assignmeots ought to bave been registered uoder section 95 of the Companies Act. If they should have been registered, but were not, they were void as against the liquidator. The question turned uoon whether they were book debts within section 95(2)(e).

The expert evidence was that when the assignments took place, the company's right to payment was contingent and would not have been entered in the books under good accountancy practice. If and when the contingency was fulfilled the amount received by the company would be entered in the books.

Mr Hamilton, for the liquidator, claimed that the assignments should have been registered. He said that they were a present charge on future book debts as and when they arose. Such a charge was registrable.

Mr Ellis, for the assignees, submitted that the assignments were not present charges on future book debts, but were charges on the contingent right of the company at the date of the assignment. That right, be said, waa not a book debt.

He relied on *Paul and Frank Limited v. Discount Bank [1967] Ch 349* where an assignment by letter of authority to pay money due under a policy was found on the evidence not to be a book debt. The present case, said Mr Ellis, was indistinguishable from *Paul and Frank*.

That argument failed. In *Paul and Frank* Mr Justice Pennycuick said at page 363 that it was a matter of the proper construction of the charges.

A typical example of the assignments in the present case stated that "£100,000 sball be paid by Amey 14 days after obtaining planning permission. The sum assigned is £15,000."

When one read the assignment, including the recitals, one had the firm impression that it was looking to the money when it became due, rather than to the contingent contractual right.

Accordingly the assignments were, on their proper construction, a charge on future book debts and ought to have been registered.

Judgment for the liquidator.

For the liquidator: Eben Hamilton QC and Martin Roth (Edwin Coe and Calder Woods).

For the assignees: Roger Ellis (Bower Cotton and *Bower).*

Expenses 'additional' if grain fails to bleed

AGRO COMPANY OF CANADA LTD
v
PARNASSOS SHIPPING CORPORATION

Court of Appeal (Sir John Donaldson, Master of the Rolls, Lord Justice Oliver and Lord Justice Slade): February 11 1983

WHERE A charterparty provides that grain may be loaded into wingspaces if it can bleed into centreholds, it is contemplated that discharge will be from the centreholds, and accordingly any "additional expenses," or costs of "additional time," to be borne by the shipowner in respect of loading and discharging, are those incurred if the grain fails to bleed into the centrehold.

The Court of Appeal so held wben dismissing an appeal by Agro Company of Canada Limited, charterers of the Marylisa, fcom Mr Justice Goff's decision that "additional expenses" for which Parnassos Shipping Corporation, shipowners, were liable under a Norgrain charterparty, were expenses additional to the normal expenses to ba incurred by tha charterers in loading and discharging cargo carried in wiogspaces.

SIR JOHN DONALDSON, giving the judgment of the court, said that the Marylisa was a self-trimming bulk carrier of 1,260,500 cu ft grain carrying capacity, of which 178,000 cu ft were in self-bleeding wing spaces.

Under a charterparty in the Norgrain form it was provided by clause 12(b) [as amended by addition of the words in italics] that "cargo may be loaded into wing spaces if the cargo can bleed into centreholds. Wing spaces are to be spout-trimmed: any further trimming in wing spaces and any additional expenses in *loading and* discharging are to be for owners' account, and additional time so used is not to count as laytime or time on demurrage *at loading and discharging ports*."

Tha question was, "additional" to *what expenses* and to what time? Mr Rix, for the charterers, submitted that they were additional to the expense and time involved in using wing spaces instead of centreholds.

Mr Collins, for the owners, drew attention to the fact that the carrying capacity of the vessel included the wing spaces and tbat clause 10, which decided that the charterers were to bear the cost of loading and discharging, made no distinctioo between centreholds and wing spaces. The use of wing spaces was not, therefore, an "optional extra."

In his submission the owners should pay only for specific expenses additional to the general cost of loading and discharging, sucb as crew overtime, and axtra expenditure which would not be incurred if the cargo in the wing spaces bled completely into the ceotrebolds on discharge.

Clause 12(b) in its unamended form, was elearly concerned with loading as wall as discharging, becausa "spout-trimming" was usually a function of loading rather than discharging, as was any other form of trimming. When it came to discharging the the clausa contemplated that tha cargo would bleed into the centreholds and be dischargad from there.

"Additional expense" in that context, seemed to be expeoses which would not be incurred if the cargo successfully bled into the centreholds.

The reference to "additional tima" created no new or different problem, sinca it was quite clearly the time involved in whatever activity or inactivity created the additional expense.

In its amended form, the addition of "*at loading and discharging ports*" at the end of clause 12(b) added nothing, since time spent on additional trimming at the loading port would come within the scope of the unamended elause, wbich therefore must be read as referring to both loading and discharging ports.

The owners' submissions were correct and the appeal would be dismissed.

For the charterers: Bernard Rix QC and Christopher C. Russell (Richards Butler and Company).

For the owners: Michael G. Collins (Clyde and Company).

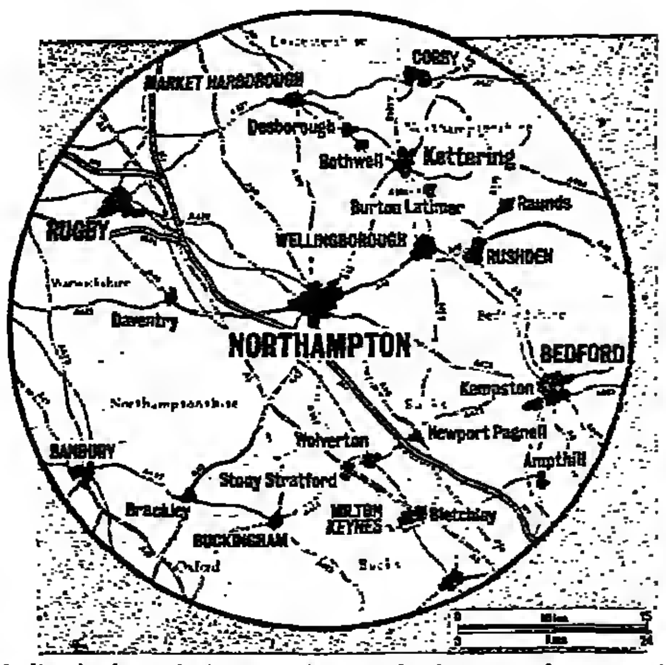
By Rachel Davies
Barrister

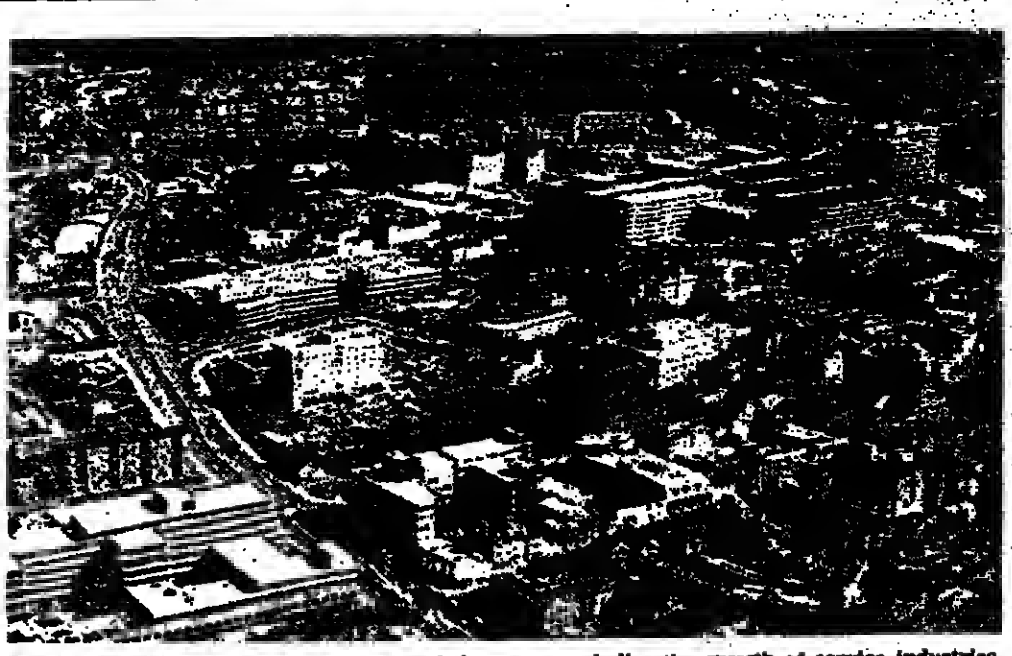
FINANCIAL TIMES SPECIAL REPORT

BY ARTHUR SMITH

Northampton

Its selection as an overspill town for London gave Northampton fresh sinews of growth. Progress has been slowed by the recession but sufficient dynamism has been generated for the Development Corporation to be phased out





Multi-storey office blocks in the centre of the town symbolise the growth of service industries —although recession has slowed the pace nf letting nowadays

"NORTHAMPTON PRESENTS a strange mixture of boom and gloom." According to Mr Simon Sperryn, earnest but youthful and enthusiastic chief executive of the county Chamber of Commerce. His modern office, incongruously located in a plush avenue of houses close to the town centre, is already jostled by emerging multi-storey buildings.

The rising office blocks are a sign of the boom stimulated by heavy public sector spending on roads and infrastructure to force growth "at a white hot pace" in an overgrown East Midlands market town. Northampton, because of its position astride the motorway network just 60 miles to the north of London, could only bave prospered. Designation in 1968 as one of the "third generation new towns" has accelerated the process dramatically.

The gloom comes from the regular Chamber surveys of business confidence. Not since the last quarter of 1981 has there been any sign of an upturn—and that proved short-lived, Mr Sperryn reports. He dismisses metaphors about "light at the end of the tunnel" or "glimmers on the horizoo." Orders remain weak and exports are under pressure, though the recent weakening of sterling has provided some respite.

But even in the current troubled national economy Northampton remains something of an exception. Unemployment at 10.1 per cent is well below the national average. "Such a position, though it hurts to say it, is not too bad," argues Mr Dave Crowden, manager of the Northampton Job Centre. The number of vacancies advertised in his offices above the busy Grosvenor shopping complex—one of the successes of the expansion programme—has increased slightly this year after remaining fairly constant throughout 1982.

Recession in a town which has seen a population growth of 26,000 to nearly 160,000 in a little more than a decade did not arrive dramatically — it merely tightened its grip. Unemployment has climbed relentlessly over the past three years not because of spectacular closures but more by a constant shakeout and slimming down of workforces.

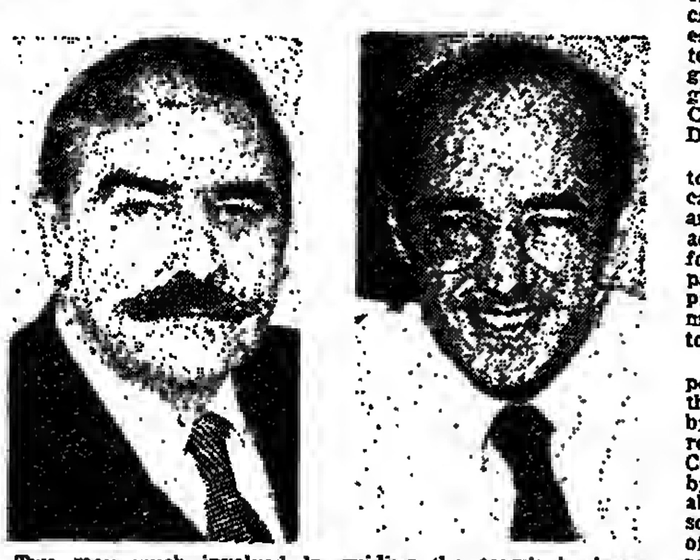
Diversified

Before it was chosen in the 1960s as a growth point to belp ease the then pressure on jobs and housing in London—Northampton already enjoyed the benefit of a fairly diversified manufacturing base.

The subsequent influx of new businesses and the creation of some 18,000 new jobs has compensated for the decline in more traditional manufacturing sectors such as footwear and engineering. The attractions of Northampton for warehouse and distribution operations and new computer-based industries has shifted the structure of the local economy towards service and white collar occupations.

Mr Crowden points to the demand for clerical, commercial and computer—related skills. "Northampton has a reservoir of good labour and is attractive to newcomers. If a company wants labour we can usually find it," he maintains.

Among the newcomers there have beeo many foreign-owned companies, there are some 65 companies representing 15 countries. But the pattern of recruitment of both companies and people has changed during the 12 years of expansion—a period that bas seen a dramatic decline in the nation's economic performance.



Two men much involved in guiding the town's business affairs. Mr Leslie Austin-Crowe, general manager of the Development Corporation (left) and Mr Simon Sperryn, chief executive of the Northamptonshire Chamber of Commerce and Industry

From the outset the aim had been to ease the pressures upon the expanding Greater Loodon Council. As recently as 1977 some 60 per cent of the 1,600 houses let by the Development Corporation went to people from the GLC area. By 1981 the proportion had fallen to only 25 per cent of a similar level of lettings.

In the early days the large companies such as Telfers tended to re-locate from London. That drift is weaker now but continues. Lummus, an engineering company that is part of Combustion Engineering of the U.S., moved last year from London with 900 jobs. Increasingly, however, companies established in Northampton tend to be smaller and to have grown up within the local region, reports Mr Leslie Austin-Crowe, general manager of the Development Corporation.

He maintains that Northampton, though an established town, can provide the greenfield sites and modern accommodation to act as "a centre of excellence" for new companies. The expansion of the past decade had provided a momentum and much of the growth now tends to be indigenous.

That view of the self-perpetuating dynamism of Northampton's growth is also taken by the Government, with the result that the Development Corporation is to be wound up by the end of next year. Inevitably such a cut-off point is somewbat artificial and some officers will continue a few months beyood to tie up the final details.

The Development Corporation will set a precedent among the new towns in that it will not transfer its assets for a transitional period to the New Towns Commission as that body itself is being phased out. Instead it is negotiating direct with its two partners in the expansion programme, the Northampton District and County Councils, for them to take over full responsibility for all the public assets, like building land and development corporation-owned factories and warehouses. Discussion is already well advanced.

Mr Austin-Crowe is confident the detailed negotiations can be completed within the deadline. "There are lots of issues to be sorted but none of the problems looks insuperable."

He argues that "the partnership coocept" pioneered at Northampton, under which the Development Corporation and the District Council share certain offices and functions, will make the band-over easier. On bousing, for example, the local authority has managed all the Development Corporation rented accommodation from the outset.

Good relations

Such joint activities have fostered good relations rather than antagonism. "The relationship with the local authorities is as good if not better than you will often find between different departments in any large organisation" Mr Austin-Crowe declares.

The rundown of the Development Corporation will be gradual and phased. The staff has already been slimmed from 240 to around 160 over the past two years. He hopes the transition will be "so smooth that they won't even notice that we have gone."

Plans for new agency

NORTHAMPTON MAY already bave the advantages of location, good communications, greenfield sites and new buildings to ensure continued growth even in the current bostile economic climate. But moves are already afoot to create a new body to maintain the momentum of industrial change after the planned phasing out by the end of next year of the Northampton Development Corporation.

The planned Northampton Enterprise Agency will cover the whole county and already has the backiog of all eight local authorities. But a key factor in its success is likely to be the extent to whicb the private sector will be involved.

Mr Hugh Marrack, president of the Northamptonshire Chamber of Commerce, has written to his members urging them to contribute "in cash or in kind" towards the resources necessary for such an agency.

The Chamber has already negotiated for private industry and commerce to have 50 per cent of the membersbip and directors of the company that will run the Agency. But Mr Marrack points out tbat the support forthcoming from companies will clearly affect not only their influence on the Agency's activities but also its efficiency and effectiveness.

Mr Simon Sperryn, chief executive of the Chamber, says it is too early yet to assess the response of the appeal for sponsorship or the level of funds likely to be contributed by local authorities. "That clearly will depend on the will of the politicians."

The County Council and the seven district and borough councils see the Agency as a focus for efforts to stimulate the local economy, promote investment and create jobs. While the aim will be to attract companies to the county, Northampton will clearly face competition from its neighbours. Wellingborough, just a few miles to the east and with a 14.7 per cent unemployment rate, has just been declared an enterprise zone. Corby, where the rundown of the steelworks has thrown more than one in five out of work, was one of the first towns to be given the advantage of enterprise zone status.

Competitor

Milton Keynes, to the south of Northampton and always a strong competitor, has had its population target cut but is likely to continue with a development corporation until the end of the 1980s. The publicity resources of Milton Keynes alone are likely to dwarf that of the proposed Northamptonshire Agency.

Tbe Agency does, however, bave a base upon which to build in the Northamptonshire Industrial Promotion Unit (INPUT) formed more than two years ago as a joint venture between the Chamber of Commerce, the County Council and Northampton Development Corporation. The aim of that body, in common with local enterprise agencies set up throughout the country, is to give advice and assistance to promote the growth of existing and new companies.

A key factor for Northampton in attracting new investment in industry and commerce will be the investment already made in developing tbe infrastructure and servicing sites.

Mr Leslie Austin-Crowe, general manager of the Development Corporation, estimates there is sufficient serviced land to meet housing requirements for the next five years. There is a similar supply of industrial land assuming "a cautious view" of the economy. "A boom" could mean the take-up of the serviced industrial land perhaps within three years.

He points out that so far the private sector has accounted for around 90 per cent of industrial and commercial development over the 12-year expansion period. Of the more than 11m sq ft of factories and offices built, the Development Corporation has undertaken only around 1.2m sq ft.

"To move from 90 per cent to 100 per cent will make very little difference to these developers. There are many sites and many people who want them. In real economic terms growth will continue as before," Mr Austin-Crowe argues.

NORTHAMPTON-2

FINANCIAL TIMES REPORT

Maintaining the tradition as a shopping centre. Left: The open market, one of the oldest in the country. Right: Shopping malls in the modern Grosvenor Centre

Improving call for industrial premises

THERE ARE signs of awakening interest in the depressed industrial property market. The Development Corporation says the slight upturn in optimism about the nation's economic prospects bas pushed enquiries about factory and warehouse accommodation to an all-time high.

Not too much is being made of this flutter of interest since the conversion rate into sales and lettings still remains low but the fact companies are again reviewing prospects is indicated by enquiries which last year totalled 771—more than double the average so far for the 12 years of expansion.

Mr John Burbage, of agents Wilson & Partners, maintains that more than 225,000 sq ft of factory and warehouse space has been sold or let in the first few weeks of this year. "I am very optimistic for a successful year in all sectors," he says.

He points to Northampton's advantages of location, particularly for distribution, standing as it does near the motorway network and midway between London and Birmingham. Around 57 per cent of Britain's population and half its industrial production is within a 100-mile radius of the town.

Mr Chris Cole, of Swindall Atkins and Partners, says that although there is some 1.6m sq ft of factory space currently vacant in the town, around 750,000 sq ft is considered partially obsolete because it consists mainly of old multi-storey buildings. He also forecasts an improvement in the industrial market this year, again underlining Northampton's success in attracting 200 companies over the past 10 years to relocate their headquarters or main distribution centres in the town.

Northampton's industry has not escaped recession but the shake-out of labour alone taking place across the country is forcing companies to re-assess operations and consider relocation. Even in a low growth economy there will be demand for new sites and premises.

Such factors helped keep rents fairly firm last year. Wilson and Partners, for example, let 46,600 sq ft to Gestetner at £2.25 a sq ft. Mr Burbage says that demand continues and that while developers are obviously looking for pre-lets some speculative building is likely on prime sites. Nursery units continue to command a premium, achieving rents of up to £2.86 a sq ft. The £3 mark is expected to be realised this year.

Another interesting trend is the strength of sales of older freehold property. Rock-bottom prices of between £3 and £4 a sq ft provided an attraction to companies seeking to expand. More than half the 962,000 sq ft disposed of last year went freehold and the bulk of that tended to be older multi-storey properties.

The Development Corporation, which halted its building programme for advance factories last year, still has around 200,000 sq ft available, much of it in the Brackmills employment area.

The Corporation, before being phased out by the end of next year, has been selling its holdings of industrial land. Values have held up very well but in a quiet market the Corporation may be unable to meet its deadline.

Rather than allow the land to go at knock-down prices the Corporation is likely to seek Government approval to hand it over at cost to some other public body. The most obvious candidate would be Northamptonshire County Council.

Such a reserve of land would give important muscle to the proposed creation of a Northamptonshire Enterprise Agency, aimed at recruiting new industry to the county. The availability of the land would provide an attraction while the profits on its sale would help to finance promotion and development.

Goal as a regional shopping centre

DEMAND FOR retail premises has shown a sudden upsurge "after a period of deadening silence," according to one leading agent. This probably reflects the first signs of a renewal of business confidence evident elsewhere in the local economy.

Agents also suggest companies may believe the market has hit a low point and are moving in before rents begin to rise. Another trend is the interest shown by smaller retailers in sites close to or in prime areas. The apparent lack of action among multiples over the past 12 months certainly presents an opportunity.

Northampton's town centre has been transformed during the town's expansion, most notably by the 300,000 sq ft Grosvenor Centre, a covered shopping complex that has attracted many of the big retail names to the town.

Recent rent reviews in the Grosvenor have established levels in the prime spots of £36 a sq ft on the ground floor and £25 on the upper level. Prime positions in Abington Street also command rents of around £30 to £33 a sq ft.

Away from the main centres values fall progressively to around £15 to £18 a sq ft in secondary areas such as the *Drapery and Mercers Row.* Gold Street continues to attract specialist traders and discount outlets, while Bridge Street remains popular for restaurants, estate agents offices and professional services.

Plans for retail development on the three-and-a-half acre Notre Dame site in Abington Street have been scaled down. Of 12 units, totalling around 36,000 sq ft, two have so far been let. Part of the site, originally intended for a 60-bedroom hotel, has been sold to a brewery for development as a public house/restaurant facility.

Northampton Borough Council believes its investment in the Derngate Centre, a £9m entertainment complex scheduled to open shortly, will give an important lift to the town. The 1,500-seat multi-purpose hall, suitable for musical performances and spectator sports, is linked to the long-established Royal Theatre, home of the repertory company.

Northampton town centre, where more than 1m sq ft of shops have been built in recent years, now looks set for a period of consolidation. It has a clear ascendancy over smaller retail centres in the county such as Daventry, Wellingborough, Kettering and Corby.

The main competition comes from Leicester, 30 miles to the north, and Milton Keynes, 15 miles to the south, where a new 1m sq ft shopping centre has proved a success.

Apart from land, the principal asset which the Development Corporation has for sale is the Weston Favell district centre, a 220,000 sq ft shopping complex some three miles east of the town centre.

The centre, which is fully let, attracted more than 90,000 visitors, according to a survey conducted during Christmas week. That level is more than 13 per cent higher than in the previous year.

Housebuilding keeps steady pace

Northampton's private housebuilding sector, because of the expansion programme and the continued relocation of companies, has escaped the worst impact of recession. Development has continued and work is currently under way on at least 30 sites throughout the town, covering everything from starter homes to luxury houses in the £70,000-plus category.

Indeed, agents report that since just before Christmas there has been an upturn in demand across the full range of properties. Perhaps the sector that remains most sluggish is the large detached houses costing more than £50,000.

The most active market is in the £20,000 to £30,000 price range which includes semi-detached houses on established estates and three-bedroomed detached new houses.

The fall in mortgage rates is the obvious factor to which agents point to explain the renewed demand. They are confident the market will hold up with prospective house purchasers expecting some encouragement from the Budget. Any move by the Government to raise tax relief on mortgages above the present £25,000 limit would clearly provide a boost.

One interesting trend is that throughout the recession demand has held up for the individual building plots sold by the development corporation on which purchasers erect their own purpose-built homes. Plots cost anything from £15,000 to £25,000 according to size and location.

The issue of keen concern for developers, however, is the Development Corporation's sales of building land as it moves towards its target rundown date of December 81 1984.

The corporation is currently negotiating with developers about the scale of some 43 sites, the biggest of which is 40 acres. The fact so much land is on the market has not depressed prices both because the sales are controlled and builders need to restock their landbanks instead of depending for supply upon the Development Corporation.

Builders, and there are 30 or so active in Northampton at any one time, generally require a landbank of anything from three to five years. For the past decade developers have not needed to carry this cost as they could turn to the Development Corporation, the dominant landowner, according to market demands.

Comfortably

The interest by developers, and sales so far by the Development Corporation, suggests the disposal of housing land should be achieved comfortably by the end of next year.

Housing land values have gradually climbed back—ignoring the important factor of inflation—to the levels achieved in the boom of 1973 of around £40,000 an acre. Prices dropped back sharply to only £25,000 an acre by 1975.

Clearly present day prices will vary according to the density, type of development, and location. The range could be anything from £25,000 to £40,000 an acre.

The Development Corporation, which over the past decade has built more than 8,000 houses to rent, recently halted its construction programme. The responsibility for public sector housing will rest entirely with the borough council.

The management of the Development Corporation's housing stock from the outset was given to the local authority under Northampton's unusual partnership scheme for expansion. That arrangement should now simplify the transfer of ownership to the borough council.

In previous New Towns ownership has unusually passed for a transitional period to the new town commission, but that body is itself being phased out. House sales by the Development Corporation to tenants already total 1,500 and are continuing apace.

Close eye on office lettings

THE PACE of office development in Northampton has slowed down since the first heady days of expansion in the early 1970s when the property boom and the boost to demand given by the re-organisation of local government aroused ambitions of making the town one of the leading provincial centres. Though targets were consequently lowered, progress has been significant, with more than 1.6m sq ft of accommodation built already.

New schemes are already coming out of the ground with others planned. Agents report increasing interest in recent months from companies in north and central London considering relocation. The town is clearly well placed to benefit from the accelerating trend by national companies to move their headquarters to cheaper locations outside the capital.

Northampton gained a major boost with the decision by Lummus, the UK subsidiary of Combustion Engineering of the U.S., to take 160,000 sq ft at Greyfriars House. The move is one of the biggest commercial relocations so far in the UK. Lummus employs 900 and hopes to expand to take on a further 300.

One of the reasons for the move was to gain space for expansion. Negotiations for the deal took six months but justified the determination of the Development Corporation as letting agent and the borough council as owners to hold on for a single tenant.

Greyfriars House had stood empty for some time but there was confidence that its merit would eventually attract the right tenant. The three-storey building rises above the main bus station, adjoining the successful Grosvenor shopping centre.

Agents Wilson & Partners say that 1982 marked a year of consolidation following the large take-up of space towards the end of the previous year. Rents held firm, achieving from £4.50 to £4.75 a sq ft on prime lettings.

Development is underway on two projects in Cliftonville, close to the town centre; Princess House offers 21,500 sq ft and Elfin House 17,000 sq ft.

While conceding that forecasts early last year of a sharp rise in rents were not realised because of the continued recession, agents argue there is likely to be an improvement this year. They point in particular to the demand from London, more optimism about the economy in a likely election year and Northampton's attractions just 60 miles to the north of London.

Milton Keynes, a few miles to the south along the main M1 corridor, is clearly a serious competitor but Northampton can still point to a rent advantage for comparable accommodation.

The performance of the letting market over the next few months will clearly be crucial to the timing of developments. Wilson & Partners draw attention to advanced plans for two projects of 63,000 sq ft and 69,000 sq ft both close to the town centre.

KEY CONTACTS

Northampton Development Corporation:
Leslie Austin-Crowe, General manager,
Cliftonville House, Bedford Road, Tel: 34734

Northampton Borough Council:
Alan Parkhouse, chief executive,
The Guildhall, Tel: 34881

Northamptonshire County Council:
Jeffrey Greenwell, chief executive,
County Hall, Tel: 34833

Northamptonshire Chamber of Commerce:
Simon Sperryn, chief executive,
The Avenue, Cliftonville.
Tel: 22422

Northamptonshire Industrial promotion Unit (INPUT):
Alan McKay, director,
The Avenue, Cliftonville.
Tel: 37401

Job Centre:
Dave Crowden, manager,
47 Princes Walk, Grosvenor Centre, Tel: 21222

THE EXPANSION PROGRAMME

1968: Northampton designated for expansion under the New Towns Act.
1970 building work starts
Housing: 19,190 new homes
Factories and Warehouses: 9m sq ft
Offices: 1.67m sq ft
Shops: 1m sq ft
Roads, 36 miles
Schools and colleges, 28
Jobs: up by 18,000 to 88,000
Population: up 26,000 to 1990
159,000. Forecast of 180,000 by 1990
December 31, 1984, development corporation to be wound up.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

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INSURANCES

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Last	June Vol.	Last	Sept. Vol.	Last	Stock
D FL C	F.265	2	8	–	–	1	8.50 B	F.265.25
D FL C	F.235	..		1	1.40	–	–	"
D FL P	F.260	1	1.50	2	T	–	–	"
D FL P	F.265	3	4.20	1	10.50	--	--	"
D FL P	F.285		..	2	25 A	-	–	"
		Feb.		May		Aug.		
GOLD C	$325	1	184	–	-	–	–	$505.25
GOLD C	$350	2	157	-		..		"
GOLD C	$375	5	135	5	143	-		"
GOLD C	$400	22	108			8	132	"
GOLD C	$425	65	79	8	94	-	..	..
GOLD C	$450	74	56	3	71	..	-	"
GOLD C	$475	250	31	59	54		..	"
GOLD C	$500	420	5	95	36	13	58 a	..
GOLD C	$550	93	0.10	125	21	4	44	"
GOLD P	$400			1	0.50	–	.	"
GOLD P	$425		.	4	2.50 A	–	...	"
GOLD P	$450	.		68	4	3	16	"
GOLD P	$475			6	13 B	7	22 B	..
GOLD P	$500	191	2	27	23 B		–	"
GOLD P	$550	.	.	4	53 B	–	.	"
12½ HL 81 87 91								
C	F.120	105	14.20	.		–	–	F.134.50
C	F.130			24	6	--		"
C	F.135	3n9	0.10	15	2.70 B	.	–	"
P	F.125	232	0.50	-	..	--	–	"
10½ HL 80 86 95								
C	F.105	19	9.70	.	--	–	--	F.114.80
C	F.110	25	4.80		.	–	--	"
C	F.112.50	46	3.10	.	–	..	--	..
C	F.115	250	0.20 A	--	–	–	..	..
11½ NL 82 88 92								
C	F.110	20	6.10	.	–	–	--	F.116.40
C	F.112.50	415	3.00		–	–	–	"
C	F.117.50	20	0.10	100	1.30	–	..	"
C	F.120	–	–	-	..	100	1.50	"
10 NL 82 86 89								
P	F.102.50	20	6	..	.	..	–	F.108.90
10 HL 82 86 89								
C	F.105	26	0.30		–	–	..	F.111.50
C	F.107.50	120	3.60	–	–	–	–	"
7¾ HL 82 89 93								
C	F.100	224	1.30	008	2.20	–	-	F.101.86
C	F.102.50	-	.	502	1	–	–	"
P	F.102.50	–		402	2	..	–	"
7½ HL 83 87 90								
C	F.100	-	–	1T	1.40	..	–	F.100.20
C	F.102.50	..	–	700	0.60	–	-	"
P	F.102.50	–	–	259	3	–	–	"
		April		July		Oct.		
AKZO C	F.40	65	5	142	6	132	0.00	F44.50
AKZO C	F.45	328	2.80	181	4.10 A	69	4.70	"
AKZO P	F.40			110	1.60 B	–	–	"
AKZO P	F.45	72	3.10	.		..	–	"
AMRO C	F.50	86	1.50 A	38	2	–	–	F.44.20
AMRO P	F.40	59	1.40	32	2	–.	–	"
AMRO P	F.45	48	3.10 B		–	--	–	"
GIST P	F.150	40	12	.	--		–	F.142.50
HEIN P	F.100	100	1	–	–	–	–	F.114.20
HEIN P	F.110	142	3.50	–	--	–	–	"
HOOG C	F.15	50	5		–	-		F.20
HOOG C	F.17.50	330	3 A		–	36	4.20	"
HOOG P	F.17.50	35	0.50		-	–	..	"
KLM P	F.140		.	39	11.50	..	--	F.150.20
NEDL C	F.100	59	5	..	–	–	..	F.98
NEDL P	F.90	32	2.10	.	--	–	–	"
NEDL P	F.100	59	6	–	–	–	–	"
NATN C	F.120	55	15.80	.	–	–	–	F.135.00
NATN C	F.125	38	10.80	–	.	..	..	"
PHIL C	F.25	40	11	..	.	.	-	F.35.70
PHIL C	F.30	796	5.80	237	6.40	6	7.10	"
PHIL C	F.32.50	59	4.30	145	4.50	25	5.40	"
PHIL C	F.35	648	2.90	262	3.20	544	4	"
PHIL P	F.32.50	25	0.60	53	1.40	45	2	"
PHIL P	F.35	139	1.50 B	42	2.30	2	3.50	"
RD C	F.100	305	4.70	229	5.70	18	7.50	F.100.40
RD C	F.110	139	1.80	22	2.80	--	–	"
RD P	F.100	75	5.80	--		-	–	"
UNIL C	F.220	69	2.30	12	4 A	–	.	F.196.30
UNIL P	F.190	21	4.50	47	8.50	2	14	"
		Feb.		May		Aug.		
SIEM C	DM.260	–	–	38	15.50	–	–	DM.259.60

TOTAL VOLUME IN CONTRACTS 18,667

A = Asked B = Bid C = Call P = Put

LONDON TRADED OPTIONS

Option		CALLS April	July	Oct.	PUTS April	July	Oct.
BP (USP 318)	260	54	–	–	3	–	-
"	280	44	–	–	4	–	–
"	300	26	34	42	14	10	22
"	330	9	18	22	30	32	42
"	300	4	8	–	54	58	–
CGF (USP 532)	090	147	154	–	1½	2	–
"	420	117	124	–	2	3	..
"	460	77	85	-	7	15	-
"	500	50	60	75	24	32	37
"	550	25	40	47	50	52	55
"	600	10	20	2T	8T	90	92
CTD (USP 80)	70	20	82	24	1½	2½	3½
"	80	10½	10	18	2½	4	6
"	90	4¼	8	10	0	8	9
CUA (USP 131)	120	13	14	–	5	0	–
"	130	6	10	15	12	12	13
"	140	3	0	10	20	21	83
"	160	1½	3	4	38	39	40
GEC (USP 208)	180	28	34	44	2	6	9
"	197	10		–	8	–	-
"	200	-	22	32	–	15	89
"	217	8	–		20	–	-
"	220	–	18	22	–	87	39
"	237	3	–	–	38	–	-
"	840	.	8	–	.	42	-
"	260	2	5	–	00	00	-
GMH (USP 362)	240	123	–	–	1	–	–
"	200	103	–	–	7	–	–
"	280	83	88	-	1	3	–
"	300	63	68	–	2	4	–
"	330	36	44	51	7	9	13
"	360	16	25	33	17	20	26
ICI (USP 388)	260	132	–	–	2	–	–
"	280	112	–	–	2	–	–
"	300	82	102	–	2	3	–
"	330	62	72	–	4	5	–
"	360	40	58	66	8	13	16
"	380	20	32	42	24	28	38
"	420	9	10	22	42	46	48
LS (USP 298)	240	62	–	–	2	–	–
"	260	42	49	65	8	4	7
"	280	24	31	37	5	9	13
"	300	14	21	28	13	7T	20
"	330	5	10	10	31	35	38
M & S (USP 203)	160	47	–	–	1½	–	–
"	180	28	33	38	3	3	7
"	200	16	21	27	8	13	17
"	220	6	11	17	21	24	27
"	240	2½	6	–	40	42	–

Option		CALLS Apr.	Jul.	Oct.	PUTS Apr.	Jul.	Oct.
SHL (USP 442)	350	82	–	–	–	–	–
"	390	52	60	66	3	8	12
"	420	28	40	44	18	20	24
"	460	8	10	22	36	40	42

Option		CALLS May	Aug.	Nov.	PUTS May	Aug.	Nov.
BBL (USP 433)	360	77	85	–	3	8	–
"	390	47	07	–	8	15	–
"	420	28	35	47	18	27	40
"	460	18	22	30	60	85	05
IMP (USP 123)	90	34	–	–	1	–	–
"	100	24	–	–	1		–
"	110	15	18	-	3	5	–
"	190	8	13	10	7	10	12
"	130	4½	8	11	10	17	19
LMO (USP 270)	800	32	45	67	1T	97	30
"	280	22	34	44	94	34	40
"	300	12	17	–	40	50	–
"	330	6	12	–	67	74	-
"	360	3	-	–	92	–	–
"	390	2	–	–	122	–	–
LNR (USP 81)	80	12	13	15	3	4	5
"	80	5½	7½	9	7½	10	12
"	100	2	4½	6	15	17	19
P & O (USP 124)	100	26	29	–	8	4	–
"	110	19	20	–	4	6	–
"	120	13	14	10	6	11	14
"	130	6½	8	11	11	19	22
"	140	4	–	–	19	-	–
"	160	1	–	–	37	--	--
RCL (USP 464)	460	37	47	60	28	38	35
"	500	20	32	45	45	50	50
"	000	8	10	–	90	92	–
"	600	8½	8	–	140	142	–
"	650	2	–	–	190	–	-
RTZ (USP 524)	390	140	–	-	1	2	–
"	460	110	115	–	5	5	–
"	400	80	90	..	8	16	...
"	500	50	6R	75	20	30	37
"	550	26	3T	82	45	55	62
VRF (USP 128)	50	–	–	–	1	–	..
"	55	..	–	–	1	–	-
"	60	69	–	–	1	–	-
"	70	59	–	–	1	–	–
"	80	49	49½	–	0¼	–	–
"	90	39	39½	–	1	3	–
"	100	29	32½	-	2	4½	-
"	110	19½	23	–	3½	9	...
"	120	13½	18½	22	7½	11	13
"	130	9½	14	17	12½	18	19½
"	140	5½	10	12	18	20	21½

Feb. 17 Total Contracts 1,783 Calls 1,369 Puts 414

هكذا عن الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd		215.48	..	—
Managed Inv. Fd	147.51	155.28	..	—
Property Fd	145.15	152.79		—
Fixed Interest Fd.	132.45	139.43	..	—
Cash Fd	131.16	138.06	..	—
Income Fd.	149.35	157.22	.....	—
Extra Income Fd	140.91	148.33		—
Worldwide Growth Fd.	193.79	203.25	.....	—
Balanced Fd.	157.84	166.15		—
Smb Co's & Rcry. Fd	184.66	194.59		—
Int. Technology Fd	223.97	235.76		—
Nth. Amer. & Gen. Fd	139.77	147.13		—
Energy Int. Fd	89.81	94.60		—
Pacific Basin Fund	114.76	120.80	.	—

British National Life Assurance Co. Ltd.
Haylands Rd, Haywards Heath 0444 414111

Equity	93.8	98.7		—
International	104.4	109.9	..	—
Property	100.0	109.5	.	—
Deposit	95.6	100.6	.	—
Fixed Interest	98.0	98.9	.	—
Managed	99.6	104.8		—
Equity Pens. Cap	93.1	98.0		—
Intnl. Pens. Cap	106.1	111.7		—
Property Pens Cap.	106.2	111.8	..	—
Deposit Pens Cap	95.3	100.3	..	—
Fixed Int Pens Cap	93.3	98.4	..	—
Managed Pens Cap.	100.4	105.7	..	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Feb 1		85.2		—
Rint. Fed Feb 8		224.8	..	—
Managed Pen Fund	163.3	172.1	..	—
Property Pen Fund	110.8	115.8		—
Index Lnkd Pen Fund	119.3	125.8		—
Managed	308.4	714.2	−0.2	—
Property	97.9	103.1		—
Gilt and Fixed Interest	97.2	102.4	−0.2	—
Index-Linked	102.7	108.2		—
Equity	111.2	117.1		—
Cash	98.1	109.9		—
Midland Bk Unit Tst.	106.4	711.1	−0.1	—
Midland Bank Intnl.	123.8	130.4	−0.1	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£32.73	—	−0.17	—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	121.3	127.7	+0.6	—
GT Pln High Yld Fnd	108.5	114.3	−0.1	—
GT Plan Far East Fnd	97.0	102.3		—
GT Pln N Am Fund.	150.3	158.3	−1.2	—
GT Pln UK&G.E. Fnd	125.8	131.6	...	—
GT Pln Wrldwde Fnd.	119.0	125.3		—
GT Pension Bnd Fnd.	127.6	134.2	+0.8	—
GT Pen High Yld Fd	121.3	127.7		—
GT Pen Far East Fd	103.1	108.6		—
GT Pen N. Am. Fd.	190.4	201.0		—
GT Pen UK & G.E. Fd	137.5	144.8		—
GT Pen Worldwide Fd	126.1	132.8		—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0733

Intl. Managed Bond.	158.9	167.3		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 37971

Portfolio Fd. Acc.		220.3		—
Portfolio Fd. Inl.		187.7		—
Portfolio Fd. Cap.		213.5	.	—
Portfolio Man. Acc.	67.7	71.3		—
Portfolio Man. Inl.	60.2	63.4		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,413		—
Landbank Secs.		62.7		—
Landbank Scs. Acc.	172.0	176.8		—
G. & S. Super Fd		£18.638		—

Guardian Royal Exchange
Royal Exchange, E.C.3 01-283 7101

Guardian Assurance

Property Bonds	299.3	311.7	.	—

GRE Linked Assurance Limited

Managed Initial	187.7	197.6	+0.2	—
Do. Accum.	205.3	216.1	+0.2	—
Equity Initial	237.4	250.0	−1.1	—
Do. Accum.	259.7	273.4	−1.2	—
Fixed Int. Initial	177.5	186.8	−1.3	—
Do. Accum	194.1	204.3	−1.3	—
International Initial	186.7	196.5	+0.3	—
Do. Accum.	204.2	214.9	+0.3	—
Property Initial	122.4	128.8	...	—
Do. Accum.	133.7	140.7	..	—
Deposit Initial	119.9	126.2	+0.1	—
Do. Accum.	131.1	138.0	+0.1	—

GRE Pensions Management Ltd.

OFFSHORE AND OVERSEAS

INTL. COMPANIES and FINANCE

Siemens launches $250m bond

By Peter Montagnon in London

SIEMENS, the German electrical concern, sparked off a lightning success in the Euromarkets yesterday with its $250m, seven-year bond with warrants attached to purchase equity.

Heavy demand for the paper, prompted in part by the strength of the Frankfurt stock market, pushed up the price of the issue to 103 yesterday from its issue price of par. Stripped of the warrants, the bonds traded at 80½ for yield of just over 12 per cent.

Each bond carries two warrants to purchase a total of nine Siemens shares at a price of DM 265 each. Siemens shares yesterday moved up 80 pfennigs in Frankfurt to close at DM 269.60.

The Siemens issue may also have been helped by a generally firm undertone in the Eurobond market yesterday, although trading conditions were quiet as congressional testimony by Mr Paul Volcker, U.S. *Federal Reserve Board Chairman* failed to elicit much reaction from investors.

In fact Germany hogged the limelight in more ways than one with, besides the Siemens issue in the dollar sector, a heavy calendar totalling DM 1.9bn in new foreign issues set by the Capital Markets Sub-Committe for the period to March 18.

Excluded from the new 17-issue calendar were two issues launched yesterday, a DM 200m, ten year, 7¾ per cent issue for the European Investment Bank which was priced at par by Deutsche Bank and a DM 20m private placement for Bank of America. This bears a coupon of 7 per cent over five years and was priced at par by Bayerische Vereinsbank.

Today Volkswagen International is to kick off the calendar proper with a DM 200m issue through Dresdner Bank. This will be followed on Tuesday by a DM 150m issue for Ireland.

Norsk Hydro is to float a SwFr 100m, 15 year-issue with an indicated yield of 5½ per cent through Swiss Bank Corp

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for February 17.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 14¼ 89	75	110¾	111¼	-0⅛	-1⅛	11.63
Amro Bank 13 89	200	104¾	104⅞	0	+0⅛	11.93
BHP Finance 14⅜ 89	150	106¾	107¼	-0⅛	+0½	13.80
British Col Hyd 14⅜ 90	200	112¾	112⅞	-0⅛	+2½	11.74
British Col Hyd 15¼ 92	150	114⅝	115⅛	0	+0⅛	12.64
Canada 14⅜ 81	750	111⅜	111⅞	0	+1	10.82
Canadair Ltd 17½ 89	175	104½	105	-0⅛	-1½	11.42
Canadian Wheat 11⅞ 90	50	98⅞	99¾	-0⅛	-0¾	11.41
Can Pac Ltd 14⅝ 92	75	107⅞	108⅜	+0⅛	+0⅜	13.83
[illegible]						

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						
Japan Airlines 1⅞ 81	9†	100¾	101¼	0	+0½	7.50
New Zealand 8⅛ 07	15	103⅜	104⅛	-0⅛	-0⅛	7.38
World Bank 8⅞ 97	20	103	104	0	-0⅛	7.82

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	112¾	113⅛	0	-0⅛	13.66
Can Utilities 17 81 C$	35†	114⅛	115⅛	0	+0⅛	12.44
Gaz de France 15 89 C$	15†	105⅛	105¾	0⅛	0	13.43
Gaz Metro 14½ 92 C$	40†	104½	105½	0	+0½	13.62
[illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						
Quebec 5¾ 82	100	103	103¼	-0⅛	0	5.33
Sweden Kingdom 5⅞ 82	100	100½	100¾	+0⅛	+0⅛	5.79
Tokyo Elec Power 5⅞ 97	100	101¾	102¼	-0⅛	-0⅛	5.60
Tokyo Metropolis 5⅞ 02	100	100½	100¾	+0½	+0½	5.29
World Bank 5½ 93	100	101	101¼	0	+0¼	5.35
World Bank 8½ 92	100	103¾	104	-0½	-1½	5.11

Av. price changes: on day 0, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 87	15	105⅝	106¼	+0⅛	+0⅜	7.73
E.I.B. 8¼ 82	15	102¾	103½	-0⅛	+0¼	7.51

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						
Marui 8 96	7/81	848.4	117¼	118¾	1⅛	13.39
Minolta Camera 5 96	10/81	828.4	69½	70¾	-0⅛	33.58
Minorca 6¼ 97 †	5/82	8.16	149	151	0	-3.17
Murata 5⅛ 96	7/81	1971	89	90½	7½	14.45
NKK 8½ 96	1/81	188	79⅝	81½	+0⅛	20.48
Nippon Electric 5⅛ 81	2/82	804.2	118½	120	2	5.29
Olympus Optical 6⅞ 07	12/82	1331	101½	102¾	0⅛	12.73
Orient Finance 5⅛ 97	3/82	1285	95½	96¾	0⅛	-4.50
Sanyo Electric 6 96	10/81	652	83⅝	85⅛	-0⅛	25.82
Sumitomo Electric 5½ 81	3/82	577.3	89½	91	-0⅛	11.37
Sumitomo Metal 5¼ 96	10/81	296.1	87⅝	88⅞	-0¼	31.38
Olympus Opt 4½ 97 SF	12/82	1331	106	108	-0⅛	28.89
Konishiroku 6⅞ 88 DM	6/82	018	112⅜	113⅜	+0⅛	15.08
Mitsubishi Heavy 8 89 DM	2/82	263	105⅝	106⅛	-0½	14.34
Sun Realty 6¼ 92 DM	2/83	385	107⅝	108⅝	0	8.05

* No information available-previous day's price

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (‡ three month: § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cr. yld – Current yield

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

North American quarterly results

ADOLPH COORS

Fourth quarter	1982 $	1981 $
Revenue	192.4m	197.4m
Net profits	2.07m	9.06m
Net per share	0.06	0.28
Year		
Revenue	915.3m	929.9m
Net profits	40.1m	51.9m
Net per share	1.15	1.48

AMALGAMATED SUGAR

Fourth quarter	1982 $	1981 $
Revenue	68.0m	72.7m
Net profits	761,000	6.98m
Net per share	0.65	3.44
Year		
Revenue	325.5m	354.2m
Net profits	15.57m	33.14m
Net per share	8.80	16.37

ANDERSON CLAYTON

Second quarter	1982-83 $	1981-82 $
Revenue	399m	493m
Net profits	10.1m	25.1m
Net per share	0.83	2.04
Six months		
Revenue	727m	953m
Net profits	13.5m	38.9m
Net per share	1.10	3.15

ARVIN INDUSTRIES

Fourth quarter	1982 $	1981 $
Revenue	124.3m	115.9m
Net profits	3.18m	721,000
Net per share	0.41	0.06
Year		
Revenue	513.9m	495.1m
Net profits	10.87m	12.42m
Net per share	1.40	1.64

ATLAS CORPORATION

Second quarter	1982-83 $	1981-82 $
Revenue	36.2m	34.8m
Net profits	8.81m	9.89m
Net per share	2.98	3.34
Six months		
Revenue	68.9m	68.9m
Net profits	20.6m	19.1m
Net per share	6.37	6.45

BANGOR PUNTA

First quarter	1982-83 $	1981-82 $
Revenue	151.5m	196.5m
Net profits	1.1m	8.1m
Net per share	0.13	1.13

BSDO INTERNATIONAL

Fourth quarter	1982 $	1981 $
Revenue	62.0m	51.1m
Net profits	5.55m	5.50m
Net per share	0.96	1.03
Year		
Revenue	212.7m	176.7m
Net profits	14.98m	13.79m
Net per share	2.61	2.58

BENEFICIAL CORPORATION

Fourth quarter	1982 $	1981 $
Revenue	–	–
Net profits	†305,000	23.7m
Net per share	†0.21	0.87
Year		
Revenue	–	–
Net profits	78.3m	66.7m
Net per share	2.73	2.22

† Loss

BENGUET CORPORATION

Fourth quarter	1982 $	1981 $
Revenue	66.3m	52.6m
Net profits	3.7m	2.3m
Net per share	0.15	0.08
Year		
Revenue	220.9m	218.7m
Net profits	12.3m	23.3m
Net per share	0.45	0.78

CARLISLE CORPORATION

Fourth quarter	1982 $	1981 $
Revenue	92.9m	97.5m
Net profits	6.57m	8.94m
Net per share	0.71	0.95
Year		
Revenue	377.9m	406.3m
Net profits	26.86m	35.32m
Net per share	2.90	3.76

CHESEBROUGH-POND'S

Fourth quarter	1982 $	1981 $
Revenue	388.9m	386.3m
Net profits	22.06m	22.01m
Net per share	0.61	0.63
Year		
Revenue	1.82bn	1.56bn
Net profits	125.3m	117.4m
Net per share	3.58	3.40

CNA FINANCIAL

Fourth quarter	1982 $	1981 $
Revenue	590.6m	635.8m
Net profits	41.67m	31.78m
Net per share	0.81	0.61
Year		
Revenue	2.47bn	2.47bn
Net profits	90.16m	74.9m
Net per share	1.67	1.36

COLECO INDUSTRIES

Fourth quarter	1982 $	1981 $
Revenue	203.3m	34.9m
Net profits	16.38m	†661,000
Net per share	0.97	†0.04
Year		
Revenue	510.4m	178.0m
Net profits	44.89m	7.71m
Net per share	2.90	0.51

† Loss

COMMUNICATIONS SATELLITE

Fourth quarter	1982 $	1981 $
Revenue	110.5m	89.5m
Net profits	11.15m	7.40m
Net per share	1.39	0.92
Year		
Revenue	408.5m	334.0m
Net profits	43.31m	40.04m
Net per share	5.41	5.00

COMPUTERVISION

Fourth quarter	1982 $	1981 $
Revenue	81.7m	76.3m
Net profits	7.19m	8.64m
Net per share	0.26	0.31
Year		
Revenue	325.2m	270.7m
Net profits	32.38m	31.76m
Net per share	1.18	1.16

CANADA NORTHWEST ENERGY

First quarter	1982-83 C$	1981-82 C$
Revenue	20.4m	11.9m
Net profits	6.3m	3.1m
Net per share	0.86	0.43

CONTINENTAL TELECOM

Fourth quarter	1982 $	1981 $
Revenue	485m	454m
Net profits	39m	40m
Net per share	0.59	0.63
Year		
Revenue	1.8bn	1.6bn
Net profits	150m	143m
Net per share	2.32	2.31

CROWN LIFE INSURANCE

Year	1982 C$	1981 C$
Revenue	1.6bn	1.1bn
Net profits	30.3m	47.4m
Net per share	7.30	12.80

CURTISS-WRIGHT

Fourth quarter	1982 $	1981 $
Revenue	48.2m	74.4m
Net profits	2.48m	15.85m
Net per share	0.51	3.22
Year		
Revenue	206.1m	276.9m
Net profits	20.81m	85.31m
Net per share	4.32	17.99

DENNISON MANUFACTURING

Fourth quarter	1982 $	1981 $
Revenue	149.5m	154.2m
Net profits	8.60m	9.02m
Net per share	0.67	0.81
Year		
Revenue	577.3m	569.7m
Net profits	20.64m	30.07m
Net per share	2.10	3.05

DEXTER CORPORATION

Fourth quarter	1982 $	1981 $
Revenue	128.1M	125.5m
Net profits	5.28m	4.67m
Net per share	0.57	0.51
Year		
Revenue	522.2m	523.1m
Net profits	24.49m	26.47m
Net per share	2.65	2.87

GENERAL SIGNAL

Fourth quarter	1982 $	1981 $
Revenue	371.2m	434.9m
Net profits	23.6m	32.5m
Net per share	0.84	1.17
Year		
Revenue	1.6bn	1.7bn
Net profits	107.8m	117.1m
Net per share	3.85	4.23

GENESCO

Second quarter	1982-83 $	1981-82 $
Revenue	164.5m	167.6m
Net profits	785,000	3.13m
Net per share	0.01	0.17
Six months		
Revenue	331.7m	349.9m
Net profits	†2.09m	10.25m
Net per share	†0.23	0.67

† Loss

KROGER COMPANY

Fourth quarter	1982 $	1981 $
Revenue	2.39bn	2.74bn
Net profits	49.77m	52.58m
Net per share	1.65	1.79
Year		
Revenue	11.9bn	11.27bn
Net profits	143.8m	128.0m
Net per share	4.84	4.51

McGRAW-EDISON

Fourth quarter	1982 $	1981 $
Revenue	577.6m	816.0m
Net profits	16.2m	22.1m
Net per share	0.98	1.33
Year		
Revenue	2.26bn	2.36bn
Net profits	58.2m	84.1m
Net per share	3.51	5.11

MOORE McCORMACK

Fourth quarter	1982 $	1981 $
Revenue	95.3m	108.3m
Net profits	83,000	17.5m
Net per share	0.01	2.04
Year		
Revenue	405.1m	565.2m
Net profits	6.6m	51.4m
Net per share	0.78	6.01

OGILVY AND MATHER

Fourth quarter	1982 $	1981 $
Revenue	96.0m	82.1m
Net profits	6m	5.9m
Net per share	1.39	1.39
Year		
Revenue	327.4m	302.8m
Net profits	14.8m	16.8m
Net per share	3.48	3.88

OHIO EDISON

Fourth quarter	1982 $	1981 $
Revenue	368.3m	340.1m
Net profits	40.4m	60.1m
Net per share	0.44	0.68
Year		
Revenue	1.4bn	1.3bn
Net profits	181.3m	183.9m
Net per share	2.13	2.39

SECTION III CONTENTS
NEW YORK STOCK EXCHANGE 30–31
AMERICAN STOCK EXCHANGE 31–32
WORLD STOCK MARKETS 32
COMMODITIES 33
LONDON STOCK EXCHANGE 34–35
CURRENCIES 36

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday February 18 1983

Pressure to resolve fish pact, Page 33

WALL STREET

Worry of an oil price whirlpool

OIL PRICE worries surfaced in New York stock investors' minds yesterday, to a large extent submerging the monetary submissions with which the markets have in recent days been saturated.

The "Opec prohlem" was widely cited as an unsettling influence which Mr John J. Smith, partner in Fahnestock and Co, said was "causing profit-taking and forcing the institutions to the sidelines. The oils represent a hig chunk of the dollar value in hlue chips, making them a dominating influence." At Stifel Nicolaus Mr Alfred Harris, senior vice-president, attributed the market's nervous mood to "the spectre of oil prices falling more sharply than anticipated."

Although in the longer term this would exert downward pressure on the inflation rate, the current severity of international debt burdens would give rise to strains even within the U.S., he added.

The Dow Jones industrial average managed a 1.48 gain to 1,088.91 after being between three and 7½ points lower for the majority of the session, but this was not an adequate reflection of the broader market where declines outnumbered advances by a margin of three to two.

Volume remained on the low side at 75.1m shares against Wednesday's 82.1m, already below recent levels.

Some technologies regained strength nonetheless. NCR climbed $5 to $107, Digital Equipment $2½ to $126¼ and Texas Instruments $2⅝ to $171.

But of the oils, Mobil ended off $⅜ at $27⅝ and Gulf $⅛ at $33⅞. Standard of Indiana succeeded in a $⅝ rise against the trend to $42.

Ford, which later announced curtailed losses, closed $¾ lower at $40½.

Follow-through buying in the credit markets failed to materialise at the higher levels reached on Wednesday, and an easier hias began to emerge. Trading slowed ahead of the auction later yesterday of $7.75bn in one-year hills, expected in some quarters to produce a yield on the firm edge of 8.30 per cent.

Rates on outstanding one-year hills moved a lone basis point harder to 8.28 per cent. Meanwhile the 9⅝ per cent Treasury notes of 1985, sold the previous day, traded at 99²⁷⁄₃₂, in line with the average auction price of 99.849.

This was against the background of an uncomfortahle continuing firmness in Fed Funds. After a Wednesday average of 9 per cent slightly below that in the latter part of the day – the rate began a new statement week at 8⅝.

It did soften further to 8½ after the Fed arranged five-day repurchase agreements, a more extensive than usual operation to supplement reserves which was unexpected hy some dealers hut had little immediate impact on the market.

Dealers said Mr Volcker's testimony had allayed concern that the Fed might tighten policy in response to a strong recent bulge in money supply. Few took any of this to imply an early cut in the discount rate, however, and no consistent rally followed.

Resource issues bore the brunt of an otherwise muted decline in **Toronto**, distributed fairly evenly among golds, hase metals and oils. **Montreal** was balanced by subdued strength in banks and papers.

LONDON

Scarcity of cash disheartens

SUBSTANTIAL cash shortages, and disappointment with what was seen as a feehle response hy U.S. financial markets to the Federal Reserve targets, cooled investment ardour in London equities yesterday. Blue chips followed Wall Street's overnight example and moved lower, with the FT industrial ordinary index losing ground at each calculation to close 5.7 down at 850.3.

Volume of business contracted, although some sectors encountered a fair amount of selling. Composite insurances, for instance, weakened markedly on speculation that Commercial Union, with a preliminary statement due next Tuesday, was experiencing prohlems in its North American operations. Worries about the extent of losses incurred through the Australian hush fires were an additional depressant. CU gave up 3p to 12p.

Conservation of funds for the Superdrug Stores' offer for sale again affected trade. Dealings commence on Wednesday.

Government stocks momentarily resisted the dullness before easing back with sterling, its exchange rate affected by anticipations of North Sea oil price cuts today. The shorts were actively traded, despite talk of a near-50 per cent application for the new short tap stock, Exchequer 10½ per cent 1987 A, in which dealings begin this morning in £30-paid form.

Closing falls in gilts ranged to about ⅜ at both ends of the market with index-linked on this occasion resisting the trend. After recent easiness on the view that the sector was dear in relation to conventional gilts, most index-linked quotations regained a half.

The hattle for control of High Street retailer UDS took a surprise turn when Hanson Trust entered the fray with a share-exchange offer which gained the recommendation ot the UDS board. Hanson closed 8p down at 192p, valuing UDS at 120p per share or 6p above a rival offer from the Bassishaw consortium. UDS, hriskly traded, closed 7p dearer at 117p.

A subdued mining market was featured hy renewed heavy selling of Consolidated Gold Fields, 13p down at 535p on persistent rumours of a possihle rigbts issue with the interim results on March 9.

South African golds ran out of steam, with recent favourite Randfontein dipping £1⅛ to £98⅞.

Shore information service. Pages 34-35

AUSTRALIA

Bargain hunt

CHEAPER priced issues changed hands more rapidly in Sydney than the more expensive end of the market – as reflected in a turnover totalling 24.08m issues but worth only A$11.89m instead of the usual rough parity – hut heavyweight miners were not neglected.

CRA was up 15 cents to the A$4 mark, EZI 14 to A$5.24 and BHP 10 to A$6.60. Golds were inconsistent, however, with a 16 cent gain for Peko, also at A$6.80, hut a 10 cent retreat hy Central Norseman to A$9.90.

Melbourne broker McIntosh Griffin Hamson reportedly secured at least 14.5m shares in Myer Emporium for a client who was prepared to pay up to A$1.40 each. The Sydney closing level for the department store group was A$1.35, up three cents.

SOUTH AFRICA

Cautious slip

CAUTION was the watchword in Johannesburg as market participants awaited details from Cape Town on the Government's mini-budget. At the same time, though, a decline in the hullion price forced gold shares to drift lower through the day.

Randfontein shed R5 at R169 while financials showed declines of 50 cents for Anglo-American at R22 and 20 for De Beers at R8.65.

In otherwise firm industrials, Sentrachem relinquished 15 cents to R3.70 in its interim results setback.

FAR EAST

Leaders become laggards

RENEWED vigour for the yen against the U.S. dollar failed to awaken sentiment in Tokyo international populars yesterday as concern persisted among investors about the high levels of margin debt being run up by huyers on the exchange.

Mining issues, hy contrast, continued their advance – even Mitsuhishi Metal, where the authorities on Wednesday tightened margin trade regulations. It was volume leader on 41.39m shares and ended Y14 ahead at Y494. Sumitomo Mining added Y30 to Y1,520 but profit-takers moved in on Mitsui Mining and Smelting, a recent favourite.

This disparity was reflected in opposing directions for the Nikkei-Dow Jones market average, down 39.14 to 8,106.27, and the Tokyo SE index, 0.8 firmer at 589.35. Volume was a moderately active 480m units.

Although selling did not reach any great intensity, market leaders in the vehicle, precision, computer and light electrical sectors wound up lower almost without exception.

But the yen's rise did provide impetus for oils and electric power companies. Daikyo Oil improved Y18 to Y381 and Tokyo Electric Power was Y50 stronger at a peak Y1,150.

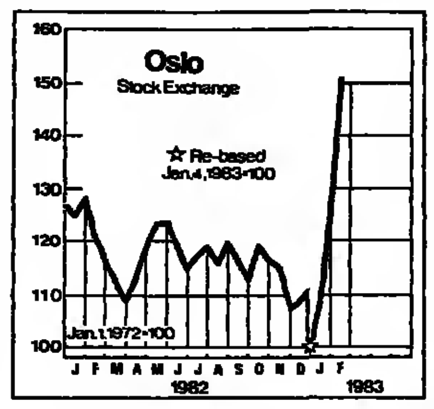
Honda, faced with a possihle earnings slowdown, led car makers down Y31 to Y928, while Isuzu shed Y21 to Y365.

Government bond prices eased in the afternoon, while in the corporate market Sony announced a 5.2 per cent coupon on its Y45hn of unsecured convertihle issue. Conversion price was set at Y3,470 against a closing level for its stock yesterday of Y3,260, down Y40.

Banks and properties predominated in an active day in Hong Kong but gains were regarded as being mainly of a technical nature. Nonetheless, Bank of East Asia had a second scintillating day with a HK$3.70 surge to HK$33. Hang Seng and Wing Lung each added a dollar to HK$54 and HK$48.25 respectively.

Singapore, described by one broker as overbought, fell victim to scattered profit-taking but huying remained in bealthy evidence. The Straits Times industrial index managed a 4.57 increase to 815.86.

Cold Storage continued higher, nine cents up at S$5.05, hut banks there held hack.



EUROPE

Evaluation day for the technicians

CORRECTIONS and consolidations were responsihle for much of bourse activity yesterday as investors cast anxious sidelong glances at the indecision exhibited in New York over pronouncements from the U.S. Federal Reserve.

Bargain hunters in **Frankfurt**, taking the reins from the profit-takers who had held sway on Wednesday, were encouraged hy a revival in the D-Mark against the dollar.

Few operators had been relying on any dramatic moves to emerge from the weekly Bundesbank central council meeting so close to the March 6 elections, and its decision not to tamper with credit policy consequently hrought little disappointment.

In steels, Klöckner was adjusted DM 3.30 upward at DM 36.80 after a DM 10 slide through the week on liquidity fears. Thyssen, on the other hand, eased DM 1.10 to DM 69.70 and Hoesch 10 pf to DM 33.10.

Domestic bonds improved an average quarter-point and the Bundesbank was ahle to sell DM 52m of puhlic paper.

The second day of the **Milan** monthly account produced technical factors which intensified pressure to liquidate the many holdings which have shown a substantial enhancement in value over the past week or more.

Fiat fell L79 to L2,261, Olivetti L121 to L2,899 and Italcementi L300 to L38,200. Centrale and Snia Viscosa were the most successful in hucking the trend, while convertihles were slightly higher in an equally husy hond market.

Special situational and speculative issues drew the bulk of attention in **Zurich**, providing a steadier overall tone. Among those sought in financials were Pargesa, up SwFr 50 at SwFr 1,410, and Galenica, SwFr 10 ahead at SwFr 375.

A weaker franc led to an irregular easing in the bond market, where Norsk Hydro launched a SwFr 100m offering with a maximum 15-year maturity. In a surging **Oslo** market its stock put on a further NKr 4.50 to NKr 299, a two-day jump of NKr 16.50.

Other strong issues there were Borregaard, up NKr 8 to NKr 123, and Norsk Data, NKr 18 higher at NKr 239. The exchange index added 1.81 to 151.27.

Stockholm also continued strongly, with rises of SKr 8 each for AGA at SKr 350 and Saab-Scania at SKr 282. Recently favoured Asea this time held steady, bowever.

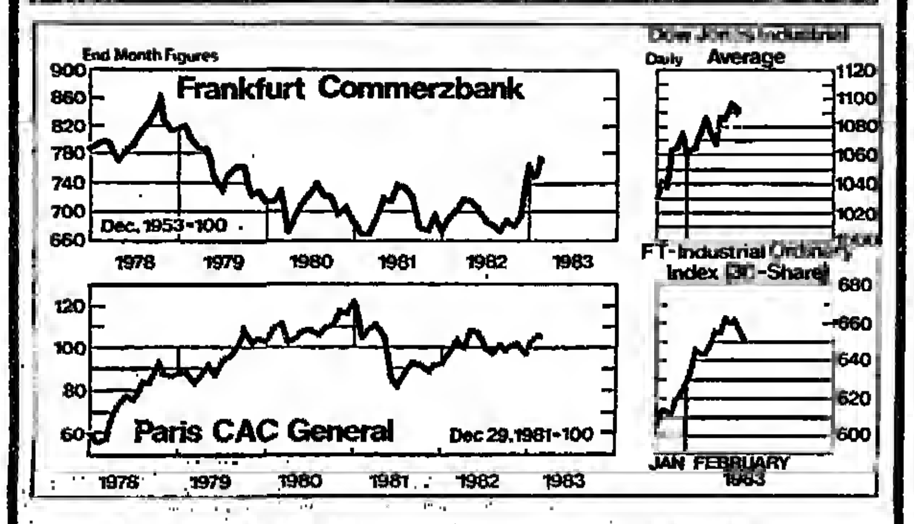
Profit-takers brought a downward shift for **Amsterdam** in hrisk dealings focused on the Dutch internationals. KLM finished Fl 2.80 lower at Fl 150.20 and Unilever Fl 2.70 at Fl 198.30. Hoogovens, a possible beneficiary of Europe's steel shake-out, added 50 cents to Fl 20.

Investment funds, banks and insurers showed modest losses, while domestic bonds traded narrowly.

A mixed-to-lower picture emerged in **Paris**, depressed by a call money rate again approaching 13 per cent. Cement group Lafarge-Coppee shed FFr 18 to FFr 255 desplte prospects of profitahle American involvements.

The same was true of **Brussels**, where holding company issues performed well hut steels lower and chemicals irregular. **Madrid**, due for an upturn, was led cautiously firmer by the electrical sector.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Feb 17	Previous	Year ago
NEW YORK			
DJ Industrials	1088.91	1087.43	827.83
DJ Transport	476.89	478.18	346.85
DJ Utilities	123.94	124.08	105.07
S&P Composite	147.43	147.43	113.69
LONDON			
FT Ind Ord	650.3	656.0	562.2
FT-A All-share	406.37	409.89	325.09
FT-A 500	441.23	444.53	344.43
FT-A Ind	414.23	417.29	315.16
FT Gold mines	721.9	733.6	262.5
FT Govt secs	79.58	79.75	65.55
TOKYO			
Nikkei-Dow	8106.27	8145.41	7644.39
Tokyo SE	589.35	590.23	566.50
AUSTRALIA			
All Ord.	518.7	515.2	505.8
Metals & Mins.	470.9	464.1	365.0
AUSTRIA			
Credit Aktien	48.69	48.71	54.65
BELGIUM			
Belgian SE	106.11	106.17	96.33
CANADA			
Toronto			
Composite	2135.9	2147.5	1658.5
Montreal			
Industrials	364.58	368.18	291.12
Combined	353.23	355.66	274.9
DENMARK			
Copenhagen SE	109.8	107.57	97.56
FRANCE			
CAC Gen	105.1	105.9	109.9
Ind. Tendance	109.1	109.7	122.4
WEST GERMANY			
FAZ-Aktien	256.82	259.36	227.52
Commerzbank	771.6	766.4	694.8
HONG KONG			
Hang Seng	974.22	944.32	1233.46
ITALY			
Banca Comm.	199.20	205.95	191.65
NETHERLANDS			
ANP-CBS Gen	111.5	112.6	87.0
ANP-CBS Ind	97.5	98.8	68.8
NORWAY			
Oslo SE	151.27	149.66	108.23
SINGAPORE			
Straits Times	815.86	811.29	742.42
SOUTH AFRICA			
Golds	990.2	1012.8	499.4
Industrial	847.4	846.2	708.0
SPAIN			
Madrid SE	103.26	102.4	105.69
SWEDEN			
J & P	1189.84	1175.25	597.76
SWITZERLAND			
Swiss Bank Ind	308.1	307.5	244.1

GOLD (per ounce)

	Feb 17	Prev
London	$504.00	$508.50
Frankfurt	$505.00	$508.50
Zurich	$505.50	$508.50
Paris	$507.56	$509.36
New York futures (Feb)	$502.80	$505.70

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Feb 17	U.S. DOLLAR Previous	STERLING Feb 17	STERLING Previous
£	1.5425	1.5490	–	–
DM	2.3975	2.3890	3.70	2.3890
Yen	233.30	232.75	360	232.75
FFr	6.8025	6.7725	10.49¼	6.7725
SwFr	1.9925	1.9825	3.07½	1.9825
Guilder	2.6500	2.6410	4.09	2.6410
Lira	1382	1379	2131	1379
BFr	47.26	47.13	72.90	47.13
C$	1.2252½	1.2235	1.8895	1.2235

INTEREST RATES

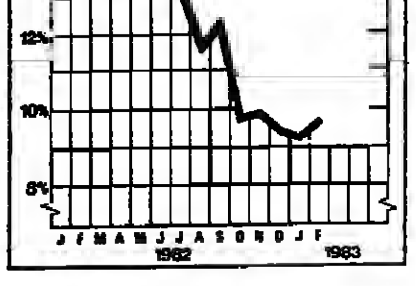
	Feb 17	Prev
Euro-currencies (three month offered rate)		
£	11¼	11¼
SwFr	3	3
DM	5⅜	5⅜
FFr	24	23½
FT London Interbank fixing (offered rate)		
3-month U.S.$	9¼	9¼
6-month U.S.$	9⁷⁄₁₆	8½
U.S. Fed Funds	8⅜	8⅞
U.S. 3-month CDs	8.70	8.70
U.S. 3-month T-bills	8.06	8.13

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
March	75–01	75–04	74–12	74–09
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.99	92.03	91.88	91.88
Cert Deposit (IMM) $1m points of 100%				
March	91.36	91.38	91.25	91.27
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.91	90.95	90.87	90.89
20-year Notional Gilt £50,000 32nds of 100%				
March	101–23	102–18	101–16	102–10
Three-month Sterling Deposit £250,000 points of 100%				
March	89.41	89.44	89.38	89.47

LONDON COMMODITY MARKETS

	Feb 17	Prev
Silver (spot fixing)	947.4p	948.65p
Copper (cash)	£1083.00	£1094.50
Coffee (March)	£1689.00	£1684.00
Oil (spot Arabian light)	$29.72	$29.62



NEW YORK STOCK EXCHANGE CLOSING PRICES

B-B-B

C-C-C

D-D-D

E-E-E

F-F-F

G-G-G

H-H-H

I-I-I

J-J-J

K-K-K

L-L-L

M-M-M

N-N-N

Continued on Page 31

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
11⅝	5⅞	AAV	.32	2.8	8	10	11⅛	11⅛	11⅛	+ ⅛
4¼	2⅜	AICPh				13	4¼	4¼	4¼	
3⅝	1	ATI			14	63	3½	3	3	- ⅛
6	1⅞	AcmePr			60	46	5⅝	5½	5½	- ⅛
21½	12⅞	AcmeU	.40	2.1	16	3	19	19	19	
22¼	2⅞	Action			6	51	20⅝	20¼	20⅝	- ⅛
9⅞	5⅛	Acrons	.10r	1.3		59	9⅛	7⅞	8	
3¼	⅞	Actn	wt			16	2⅛	2¼	2⅛	- ⅛
10⅛	1⅞	AdmRs	.10	3.8		20	2⅞	2¼	2⅝	+ ⅛
25	12	AdRusl	s .10	.4	23	37	23⅛	22⅝	23⅛	+ ⅛
21⅞	11⅛	Adobe	.20	1.1	13	54	19	18¾	19	
3	2	AeroCp			6	154	2¾	2⅝	2⅝	
21⅛	7⅛	Aerofix	1.55t	7.7	16	81	20¼	19⅝	20⅛	+ ⅛
6⅛	2¼	Aeronca				275	6¼	6	9⅛	+ ⅛
21⅞	9¼	AlbHsp	.32	1.6	10	60	19⅞	16⅞	19⅞	+ 1½
30½	15⅞	AlbPb	s .54	2.1	54	4	30¼	30	30¼	
9⅛	3⅛	AlnSb			7	38	8⅝	8½	8⅝	+ ⅛
15½	4⅝	AlrExp			73	151	15⅛	15⅛	15⅛	
14⅞	4⅝	AlskAr	.12e	.9	10	294	13⅞	12⅞	13⅛	+ ⅛
11⅞	3⅛	AlbaW	.10e	924	879	u12½	11⅝	12⅛	+ 1⅛	
16½	6	AllenT	.75t	4.5		12	16¾	15⅛	16¾	+ 1⅛
10⅛	6½	AlmySt		2.0	256	17	u10¾	10	10⅛	+ ⅛
9⅞	5¼	AlohaA			5	32	9½	9¼	9⅛	- ⅛
21⅞	9⅛	Alphal	s		27	52	20⅞	20⅛	20⅛	+ ⅛
1⅛	½	Altec				115	1	⅞	1	+ 1-16
6	4⅛	Altec	pf			4	5⅝	5⅝	5⅝	
2⅞	1⅛	Altex	n			265	1⅞	1⅛	1⅞	+ ⅛
33	25	Alcoa	pf3.75	12		2300	32½	32	32½	+ 1
44½	17⅞	AmdhI	.40	1.0	160	1391	40⅛	39⅛	39⅞	- ⅛
29⅝	6⅛	Amedc	c .12	.4	29	27	29½	28¼	29⅛	-1
5	3½	ABM	n			30	4⅝	4⅝	4⅝	+ ⅛
3⅛	⅞	AmCap				1	2⅞	2⅞	2⅞	- ⅛
27⅛	8⅛	AExp	wt			133	24⅛	24	24⅛	- ⅛

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
58½	44½	VaEP	pf5.20	13		z150	57	57	57	
62½	46	VaEP	pf7.45	12		z10	60½	60½	60½	- ½
21⅛	11	Vornado				91	20⅛	19⅝	19⅝	- ½
18	7½	Vulcinc				1	9	9	9	- ½
64	38¼	VulcnM	2.44	4.0	13	117	61⅞	61½	61½	+ ⅛

W—W—W

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅞	15¼	WICOR	2.14	11	9	20	20	19⅝	20	+ ½
44½	30½	WacR	pf4.50	10		z230	44½	44½	44½	+ ½
36⅛	22	Wachov	1.40	4.2	10	137	33⅝	32¾	33⅛	+ ¾
28½	12⅞	Wackm	.44e	1.7	17	78	26⅝	26¼	26½	- ½

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 30

Continued on Page 32

WORLD STOCK MARKETS

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

JAPAN

SOUTH AFRICA

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change
Acorn Secs	102	—
Assoc Brit Ports	137	−1
Cons Gold Fields	535	−13
Distillers	245	−4
GRE	414	−20
ICI	386	−6
Pritchard Services	159	−15
Reed Executive	40	+11
Rugby Portland Cement	99	−2
Second City Props	67	+7
UDS	117	−7
West Rand Cons	735	−22

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

Stock	No. of changes	Wed close	Day's change
Ass Brit Ports	23	138	—
Electro - Protec	20	241	+17
London & Liv	20	557	−16
Bio-Isolates	18	410	−10
Exco Int	18	585	−15
Wilkes (J.)	16	457	+25
Allen Elec	15	380	+17
Cns Gold Flds	15	548	−20
Mellins	14	244	+16
RTZ	13	532	−13
BAT Inds	12	705	−5
GEC	12	208	−4
Ultramar	12	500	—
Unilever	12	818	+3

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (103)

AMERICANS (2)
CANADIAN (7)
BANKS (1)
BREWERS (3)
BUILDINGS (5)
CHEMICALS (3)
DRAPERY AND STORES (3)
ELECTRICALS (7)
ENGINEERING (11)
FOODS (1)
HOTELS (2)
INDUSTRIALS (15)
MOTORS (8)
NEWSPAPERS (3)
PAPER (4)
PROPERTY (2)
SHIPPING (1)
SOUTH AFRICANS (3)
TEXTILES (3)
TRUSTS (10)
OIL AND GAS (1)
OVERSEAS TRADERS (1)
PLANTATIONS (4)
MINES (11)

NEW LOWS (4)

INDUSTRIALS (1)
Silverthorne
SHIPPING (1)
Milford Docks
TRUSTS (1)
New Darien Oil
OIL AND GAS (1)
Edinburgh Securities

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27

For rate indications see end of Share Information Service

Stocks favoured for the call included Hampton Trust, Woolworth, Time Products, Combined Technologies, Keep Investment Trust, London and Liverpool, Lee Cooper, Turner and Newall, BSR, Chloride, Bio-Isolates, Borndene, Halma, Valor, Camseal, Associated British Ports, Charterhall, P. C. Henderson, Audiotronic, P & O Deferred, Thomas Tilling, Asset Special Situations Trust, Grovebell and West Coast Minerals. A put was completed in Audiotronic. No doubles were reported.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs Feb 17 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Feb 16 Index No.	Tues Feb 15 Index No.	Mon Feb 14 Index No.	Fri Feb 11 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	442.78	−1.0	8.96	3.87	13.95	447.17	451.83	452.48	452.37	369.47
2	Building Materials (24)	436.01	−0.7	9.81	4.44	12.27	433.19	437.04	438.57	438.64	323.86
3	Contracting, Construction (30)	789.24	−0.1	11.14	4.18	10.69	790.13	798.24	797.79	794.23	585.96
4	Electricals (32)	1634.45	−1.8	7.36	2.11	17.41	1665.11	1686.54	1688.61	1683.42	1264.38
5	Engineering Contractors (10)	412.71	−2.6	16.98	7.25	7.21	423.82	426.51	425.76	425.61	509.68
6	Mechanical Engineering (66)	210.49	+0.3	10.88	5.55	11.46	209.97	211.09	211.59	211.44	193.97
8	Metals and Metal Forming (11)	166.28	+0.2	13.07	7.48	9.28	165.95	169.28	169.90	170.78	166.41
9	Motors (18)	89.09	+0.6	0.44	7.04	—	88.57	89.39	88.95	87.75	98.25
10	Other Industrial Materials (17)	413.62	−0.7	8.47	5.16	14.69	416.57	419.58	419.77	415.90	408.07
21	CONSUMER GROUP (200)	418.18	−0.6	10.06	4.26	12.08	420.62	423.74	424.46	425.39	294.42
22	Brewers and Distillers (23)	479.77	−0.9	10.74	4.46	11.40	484.06	486.54	482.30	481.38	298.94
25	Food Manufacturing (21)	341.68	−0.8	13.34	5.40	8.78	344.33	345.29	348.89	348.29	282.29
26	Food Retailing (14)	847.87	−1.2	7.51	2.05	16.74	857.83	870.24	874.05	873.05	632.52
27	Health and Household Products (8)	707.15	−1.3	5.58	2.58	21.29	716.13	728.12	734.59	730.45	373.72
29	Leisure (24)	510.69	−0.3	8.04	4.72	16.16	512.39	514.23	515.11	513.40	445.40
32	Newspapers, Publishing (13)	733.41	+0.3	8.43	4.42	15.82	731.53	734.12	732.48	729.75	520.30
33	Packaging and Paper (14)	170.70	+1.4	13.65	6.56	8.60	168.41	167.86	166.90	168.86	148.26
34	Stores (47)	357.00	—	8.47	3.85	15.63	357.03	359.72	360.60	361.31	264.99
35	Textiles (22)	196.24	+0.8	12.81	5.66	9.41	194.60	194.95	194.06	195.26	160.89
36	Tobaccos (3)	492.75	−0.9	27.90	5.63	4.20	496.38	498.86	501.91	506.36	324.79
39	Other Consumer (11)	371.29	+0.1	2.27	3.77	—	370.95	371.85	371.65	373.51	272.90
41	OTHER GROUPS (78)	319.76	−0.7	10.65	5.11	11.29	321.97	324.07	320.38	320.42	254.73
42	Chemicals (15)	416.59	−0.8	11.83	5.81	10.04	419.84	423.16	418.04	419.09	344.32
44	Office Equipment (6)	103.91	+0.5	10.26	5.22	12.04	103.37	103.37	101.04	104.48	126.64
45	Shipping and Transport (13)	575.32	—	15.06	7.40	7.91	575.07	580.72	572.92	570.47	579.07
46	Miscellaneous (44)	454.33	−0.9	8.73	4.00	13.96	458.52	461.05	456.90	454.55	317.71
49	INDUSTRIAL GROUP (486)	414.23	−0.7	9.76	4.24	12.53	412.29	420.76	420.72	421.38	315.16
51	Oils (14)	740.40	−0.8	16.94	7.81	6.96	746.37	747.58	740.05	748.90	673.98
59	500 SHARE INDEX	441.23	−0.2	10.79	4.75	11.24	444.53	447.00	447.11	448.29	344.43
61	FINANCIAL GROUP (121)	297.16	−1.5	—	5.95	—	301.63	303.57	302.09	302.57	261.20
62	Banks (6)	301.62	−1.7	33.43	8.00	3.27	306.71	308.60	305.30	306.73	289.32
63	Discount Houses (8)	296.75	+0.7	—	8.22	—	294.64	296.87	290.64	290.81	228.60
65	Insurance (Life) (9)	379.80	−1.6	—	5.04	—	386.13	393.33	384.90	388.62	258.19
66	Insurance (Composite) (10)	196.64	−3.2	—	7.23	—	203.05	204.35	202.46	202.48	164.84
67	Insurance Brokers (7)	563.72	+0.1	11.39	4.04	12.22	563.23	568.64	568.29	573.61	458.74
68	Merchant Banks (13)	166.46	+0.1	—	5.19	—	166.30	165.82	164.66	166.60	150.03
69	Property (54)	452.19	−0.8	5.71	3.96	23.14	455.98	456.20	462.80	465.36	450.63
70	Other Financial (14)	232.48	−0.3	12.02	5.06	9.88	233.22	233.00	232.47	233.07	180.58
71	Investment Trusts (109)	405.88	−0.5	—	4.16	—	407.89	410.32	409.09	408.99	312.56
81	Mining Finance (4)	265.36	−1.7	7.74	5.36	17.31	269.83	277.17	277.09	278.63	225.23
91	Overseas Traders (16)	444.09	—	9.05	8.15	15.83	444.13	445.80	446.68	448.01	433.06
99	ALL-SHARE INDEX (750)	406.37	−0.9	—	4.96	—	409.89	412.91	412.08	413.08	325.09

FIXED INTEREST

	PRICE INDICES	Thurs Feb 17	Day's change %	Wed Feb 16	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.16	−0.13	117.61	0.29	1.75
2	5-15 years	127.02	−0.20	127.28	—	2.41
3	Over 15 years	134.04	−0.21	135.68	1.36	1.75
4	Irredeemables	141.63	—	141.63	—	0.00
5	All Stocks	125.96	−0.18	126.66	0.46	2.00
6	Debentures and Loans	100.76	−0.01	100.77	—	0.64
7	Preference	77.28	+0.04	77.25	—	2.32

	AVERAGE GROSS REDEMPTION YIELDS		Thurs Feb 17	Wed Feb 16	Year ago (approx.)
	British Government				
1	Low	5 years	8.98	8.94	12.56
2	Coupons	15 years	10.48	10.44	13.42
3		25 years	10.64	10.60	13.07
4	Medium	5 years	11.35	11.26	14.99
5	Coupons	15 years	11.38	11.35	14.46
6		25 years	10.96	10.89	14.28
7	High	5 years	11.43	11.39	15.04
8	Coupons	15 years	11.61	11.57	15.01
9		25 years	11.11	11.09	14.63
10	Irredeemables†		10.51	10.51	12.85
11	Debs & Loans	5 years	12.49	12.48	16.83
12		15 years	12.58	12.58	15.93
13		25 years	12.67	12.68	15.87
14	Preference†		12.89	12.98	15.73

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	10	62	25
Corpns., Dom and Foreign Bonds	10	20	48
Industrials	248	277	804
Financial & Props.	77	102	276
Oils	24	27	59
Plantations	6	4	12
Mines	35	62	52
Others	29	80	47
Totals	439	634	1,321

FINANCIAL TIMES STOCK INDICES

	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 11	Feb. 10	year ago
Government Secs.	79.58	78.75	79.76	78.81	78.80	78.56	65.56
Fixed Interest	61.17	81.19	81.81	80.89	80.56	80.29	65.83
Industrial Ord.	650.3	656.0	651.9	660.7	662.6	654.8	562.2
Gold Mines	721.9	755.6	734.7	712.5	711.5	688.1	262.5
Ord. Div. Yield	4.76	4.69	4.68	4.68	4.61	4.66	5.45
Earnings, Yld.% (full)	10.20	10.10	9.99	9.98	8.95	10.04	9.66
P/E Ratio (net) (*)	11.79	11.92	12.05	12.06	12.09	11.98	13.54
Total bargains	25,624	24,350	24,018	88,128	24,085	25,007	17,986
Equity turnover £m.	—	257.88	317.18	196.81	233.54	257.81	156.47
Equity bargains	—	24,126	20,748	24,056	20,877	21,428	16,868
Shares traded (ml)	—	144.5	144.6	138.2	167.8	187.3	108.1

10 am 653.9. 11 am 653.1. Noon 652.2. 1 pm 651.8. 2 pm 651.5. 3 pm 650.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 11.03.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.64 (3/11)	61.69 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	662.5 (11/2/83)	518.1 (5/1/82)	662.5 (11/2/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 16	Feb. 15
—Daily		
Gilt Edged Bargains	181.9	173.8
Equities Bargains	156.3	134.4
Equities Value	480.8	438.8
5-day Avrge		
Gilt-Edged Bargains	172.5	169.5
Equities Bargains	144.1	140.6
Equities Value	462.1	462.9

NEW YORK AND CANADA

Indices

NEW YORK—DOW JONES

	Feb 17	Feb 16	Feb 15	Feb 14	Feb 11	Feb 10	1982-83 High	1982-83 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1088.81	1087.43	1093.1	1097.1	1086.5	1087.75	1097.1 (14/2/83)	776.92 (12/8/82)	1097.1 (14/2/83)	41.22 (2/7/32)
Transport	476.89	478.16	477.53	480.94	478.51	478.75	485.87 (4/2/83)	292.12 (12/8/82)	485.87 (4/2/83)	12.23 (8/7/32)
Utilities	123.94	-	123.94	124.08	123.66	123.89	125.78 (20/1/83)	103.22 (20/1/82)	163.32 (20/4/69)	10.85 (28/4/42)
Trading vol 1000's†	7459	8210	8904	7264	8670	9351	-	-	-	-

	Feb 11	Feb 4	Jan 28	(Year Ago Approx)
Ind div yield %	4.95	4.93	5.08	6.66

STANDARD AND POORS

	Feb 17	Feb 16	Feb 15	Feb 14	Feb 11	Feb 10	1982-83 High	1982-83 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	165.78	165.76	166.89	167.8	166.39	-	167.8 (14/2/83)	114.08 (12/8/82)	167.8 (14/2/83)	3.52 (30/6/32)
Composite	-	147.43	148.3	148.92	142.63	-	148.92 (14/2/83)	102.42 (12/8/82)	148.92 (14/2/83)	4.4 (1/6/32)

	Feb 16	Feb 9	Feb 2	Year Ago (Approx)
Ind div yield %	4.32	4.38	4.45	5.78
Ind. P/E Ratio	11.52	11.35	11.18	7.68
Long Gov Bond Yield	10.92	11.08	10.93	13.93

N.Y.S.E. ALL COMMON

Feb 17	Feb 16	Feb 15	Feb 14	1982-83 High	1982-83 Low
85.13	85.12	85.68	85.88	85.89 (14/2/83)	58.8 (12/8/82)

RISES AND FALLS

	Feb 17	Feb 16	Feb 15
Issues traded	1929	1902	1910
Rises	660	635	799
Falls	892	907	775
Unchanged	377	360	336

MONTREAL

	Feb 17	Feb 16	Feb 15	Feb 14	1982-83 High	1982-83 Low
Industrials	364.58	368.19	368.59	363.24	368.59 (15/2/83)	248.68 (21/6/82)
Combined	353.23	355.66	354.7	350.56	355.66 (15/2/83)	237.27 (21/6/82)
TORONTO Composite	2136.9	2147.5	2146.9	2136.3	2147.5 (15/2/83)	1366.7 (21/6/82)

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

NEW YORK CLOSING PRICES

Continued from Page 31

COMMODITIES AND AGRICULTURE

U.S. urged to step up farm trade war

BY NANCY DUNNE IN WASHINGTON

U.S. SENATORS and congressmen, exasperated by the lack of progress towards an agreement with the EEC on agricultural export subsidies, called for retaliatory legislation to recapture lost markets.

"We're in a trade war. The time has come for the U.S. to stop retreating," Senator Howell Heflin, an Alabama Democrat told the Senate Agriculture Committee.

One by one, senators and witnesses before the committee echoed his militancy, urging the committee to act quickly.

Senator Robert Dole, Finance Committee Chairman, called for more deals like the subsidised sale of wheat-flour to Egypt.

"The EEC sees our country as one which cries wolf and acts like a paper tiger," said Senator Charles E. Grassley, Republican from Iowa.

"The EEC's right to swing their export-subsidy fist ends at Uncle Sam's nose," said Jesse Helms, committee chairman.

The committee heard testimony on eight bills designed to promote U.S. agriculture exports. Senator Helms' bill requires the Government to sell 150,000 tonnes from the dairy stockpile in 1983, 1984 and 1985. Proceeds from the sales would be used for export assistance "to equalise the price and credit subsidies of other nations on their agricultural exports."

The poultry industry, which filed a petition to Gatt in September 1981 against EEC subsidies, received a sympathetic hearing.

Mr Lee Campbell, president of the Poultry and Egg Institute of America, said the industry's exports fell drastically in 1982. Exports of Broilers dropped 71 per cent, shell egg volume 30 per cent and egg products were off 45 per cent.

Mr George B. Watts, president of the National Broiler Council, claimed that the EEC spent $74m for poultry export subsidies in 1981 and over $90m was budgeted. It is believed that the Agriculture Department will act soon to push poultry exports through some sort of subsidy programme. One bill, which has considerable support, an export payment-in-kind programme, would benefit poultry producers by giving them feed from government stocks.

Cocoa estimate reduced

BY RICHARD MOONEY

THE U.S. Department of Agriculture (USDA) has cut its estimate of 1982-83 world cocoa production by 151,000 tonnes to 1.55m because of adverse weather in the main producing areas.

The figure is still 11,000 tonnes above that predicted by London trade house Gill and Duffus at the beginning of this month. Gill and Duffus expected a net production deficit of 78,000 tonnes for 1982-83.

The USDA said 58 per cent of the cut was accounted for by West African nations. The Ivory Coast main crop had matured too early, it said, and with the mid-crop expected to be below normal the total was put at 370,000 tonnes, down from a record 456,000 tonnes in 1981-82.

For Ghana, where dry weather and bag shortages have caused problems, production is estimated at 190,000 tonnes.

Dry weather is also blamed for an expected cut in Brazilian cocoa production. The USDA said the temporao crop would be well below last year's 190,200 tonnes record but a larger main crop could offset some of the reduction, which is expected to leave the total at 280,000 tonnes, down from 315,000 in 1981-82.

The Department has raised its estimate of the 1983-84 Brazilian coffee crop by 12 per cent from its previous forecast to between 30m and 33m bags

Farmland is 'poor hedge against inflation'

BRITISH farmland has proved a poor hedge against inflation in recent years, according to the latest issue of Farmland Market magazine.

Though the average price for vacant possession farmland in England and Wales reached a record level in the final quarter of 1982 in real terms the prices were well below those reached in 1979, it said.

Prices rose by 4.1 per cent in 1980, fell 4.3 per cent in 1981 and rose 6.9 per cent in 1982. But the inflation rate in those years was 15.1 per cent, 12 per cent and 5.4 per cent.

● TWO senior government representatives will sit on the decision-making committee of the Gold Exchange of Singapore (GES) in a move to tighten official surveillance of the bullion market.

The move follows a full-scale investigation by the Monetary Authority of Singapore (MAS) into the accounts of 24 gold trading firms after public allegations of widespread unethical practices in the bullion market.

The allegations claimed that unnamed firms with Hong Kong head offices had incurred losses for clients in unauthorised deals or absconded with cash deposits.

● RUDOLF WOLFF, metal and commodity brokers, have expanded their operations in West Germany with the acquisition of their former agent Alster Metall-Und Handelsges. This follows their recent purchase of Geldermann International in Zurich and Frankfurt.

● INDIA'S groundnut output in the 1982-83 crop year ending October is expected to be 3m tonnes, which would be down on the 4.38m tonnes of the previous year, traders said.

An erratic monsoon and continuing drought have affected major groundnut areas

The kharif (winter) and rabi (summer) groundnut crops in 1982-83 are forecast at 1.8m and 1.2m tonnes respectively, against 2.74m and 1.64m the previous season.

FARMER'S VIEWPOINT

The case for Community production quotas

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

DURING the National Farmers Union annual meeting last week, there was a demand for quotas on production of some items in surplus, in this case milk. The motion was lost, but there is no doubt that while the establishment at the moment believes in maximising production, there is a growing element among farmers who wonder just how much further it can go.

To some extent those doubters are farmers whose output is at the maximum capacity of either their farms or themselves. They would be quite happy to carry on farming at present output, rather than try to increase production only to see returns diluted by co-responsibility levies or price reductions, as are proposed by the EEC Commission.

In the early 1960s the same argument was current. Milk production was rising and under the standard quantity system, which limited the exchequer liability, any increased production reduced the average price per gallon of milk. I was dairying at the time. I was all for a quota system which would maintain the price for a given volume and make those farmers who were producing the surplus suffer the lower prices their own over production would bring.

Lord Soames, the Minister of Agriculture at the time, thought he had secured the NFU's agreement to an arrangement of this kind. But any move by the NFU in that direction was demolished by dairy farmers, encouraged by the Milk Marketing Board. The Board was obviously interested, as it is today, in keeping its factories working, and most farmers are increasing their own efficiency in the only way they know, by pouring out more milk.

They also claim that as long as Britain still imports 25 per cent of its dairy products, namely New Zealand and EEC butter and cheese, there is no sense in restricting British production.

This argument conveniently forgets that Britain is part of Europe, and that although there is an over all shortage in the UK, the Community as a whole is producing 20 per cent more than it consumes. Even if the New Zealand quota were abolished, its place would soon be taken by the steadily increasing production in the Community.

Another rather way out suggestion being ventilated is that to reduce excess production of cereals and sugar, the price of nitrogen should be raised substantially, by some £100 a tonne. If only half the supply of this fertiliser were to be applied production would fall significantly. So one of the many correspondents who have been writing to me claims prices would rise and allow for a much more environmentally biased farming.

There is nothing new about quota systems as a means of keeping up farm prices. For 40 years the Hops Marketing Scheme kept hop growers reasonably content by means of individual quotas. Once a farmer had harvested his annual quota he left the rest on the bines. Quotas were attached to farms and were saleable. This situation has been brought to a close following Britain joining the EEC, but hop growers have managed to survive, partly because it is an expensive form of husbandry to embark on.

During a period of depression in the 1970s both Australian and Canadian farmers had to be controlled by quotas on deliveries of cereals. Those were at a guaranteed price, the balance could be sold on the feed market at about half the export price. In many countries there are quota, or two priced systems, for milk. Usually there is a high price for the proportion of milk sold for town supply, with the balance at manufacturing levels.

It is certain that the EEC Commission is looking at the whole situation with added urgency now that 1982 production has broken all records, and that all forecasts indicate this will be a continuing trend. There are few who believe that co-responsibility levies of 2 per cent for milk and less for cereals will do more than stimulate farmers to greater productive efforts.

One suggestion is that countries in surplus production, which consequently adds to the budgetary burden, should pay more to Community funding. If the scheme were implemented at present production levels, France in particular would pay a substantially higher subscription, and the Netherlands more too. It is probable that a British government would go along with this idea.

A straight quota system on milk would probably only work well in Britain, where the five milk marketing boards handle all milk. Elsewhere in Europe it would be more difficult as there are so many outlets.

The same factor would probably militate against the proposal that penalties for over production should only apply to the larger units; not only of milk but of cereals and other crops in surplus. The British, with the larger units, are naturally against this. But it is much favoured by the rest of the Community, particularly in France and Germany.

My guess is that nothing at all will be done significantly to control production unless the budgetary cost gets really out of hand and FEOGA, the farm fund, runs out of cash. Then someone will have the bright idea of making farmers themselves fund the costs of their own over production. This proposal, if doing nothing else, will concentrate farmers' minds very closely on quotas as an alternative.

Pressure to resolve fisheries pact

BY LARRY KLINGER IN BRUSSELS

BONN and Ottawa are pressing the European Commission to hold urgent talks to resolve the politically charged differences over the EEC-Canada fisheries pact. The hope is for a resumption of the negotiations between the Commission and Ottawa within a fortnight, either in Brussels or in the Canadian capital.

Canada's interim quota allocations for West German fishermen are unlikely to be extended unless Ottawa receives satisfaction by the end of the month on guarantees for its fish-product exports to the EEC, the bulk of which are destined for its traditional British market.

The dispute has taken on serious political overtones on both sides of the Atlantic, becoming an important issue in the West German election campaign linked to the possible banning in Europe of Canadian seal skin exports.

Under the six-year Long-term Fisheries Agreement which came into force at the beginning of last year, the EEC is granted fishing rights, primarily for German trawlers, in return for accepting Canadian imports on preferential terms.

Canada, however, is withholding about two-thirds of this year's 15,500-tonne EEC cod quota, complaining that its EEC export revenue fell short of expectations last year without there being any firm guarantees that this would be rectified acceptably this year.

Ottawa also maintains that it is not linking the fishing question with the EEC's threat to ban skin imports in opposition to the annual "harvest" starting next month which involves the clubbing to death of young seals.

Nevertheless, the Canadian Government is under strong pressure from its fishing industry and the provincial administrations of maritime Nova Scotia and Newfoundland, off which the seal cull also takes place, to take the strongest possible stand on both issues. A double defeat in dealings with the EEC would be a serious political setback for Ottawa.

Boost for fish farming

BY FAY GJESTER

NORWEGIAN FISH farmers produced 4,700 tons of trout and 10,250 tons of salmon worth a total of Nkr 460m in 1982, says their marketing association. This was 2,000 tons and Nkr 99.4m more than a year earlier, and corresponds to about 10 per cent of the value of the country's 1982 landed fish catch.

While demand for a traditional product like Norwegian dried cod is now exceptionally poor—Norway has about 90,000 tons of it piled up, unsold, in warehouses along the coast—the salmon and trout farmers are selling all they can produce, and plan a further increase in output this year.

Cultivation of other varieties of fish such as cod, halibut and flounder is being considered by the industry. Cod has been successfully "farmed" in fenced off areas of a Norwegian fjord, in an experiment financed by the fishing ministry. Only 10-months feeding turned young cod weighing 600 to 800 grammes into high-quality table fish of 3.5 to 4 kilos.

The fishing ministry is keen to encourage production and processing of shell fish in Norwegian waters as a way of creating new jobs in the fisheries sector. The French oil concern Elf has a major stake in one company, Norsk Akvakultur, which is currently producing mussels at Austvoll, near Bergen. The company is also experimenting with cultivation of oysters.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 17 1983	+ or —	Month ago
Metals			
Aluminium	£810-815	......	£810/815
Free Mkt	$1260-1280	+6	$1080-1100
Copper			
Cash h grade	£1083.0	—11.5	£1000
3 mths	£1116.25	—11.25	£1051.25
Cash Cathode	£1061	—12	£964.5
3 months	£1090.75	—11.25	£994.75
Gold troy oz	$504	—4.5	$492.5
Lead Cash	£301	+1.375	£288.5
3 months	£315.75	—2	£310.25
Nickel	£4384	......	£4384
Free mkt	208-232c	......	175-205c
Palladium	$124.85	—2	‡
Platinum	£306.75	—5.4	£298.10
Quicksilver†	$330-340	......	$345/355
Silver troy oz	947.40p	—1.85	816.15p
3 mths	971.55p	—1.55	836.65p
Tin cash	£8500	+52.5	£7693.5
3 month	£8422.5	+60	£7682.0
Tungsten	$78.78	......	$90.21
Wolfram 22.04 lb	$80/85	......	$78/82
Zinc Cash	£445	+0.5	£443.5
3 mths	£458.125	+0.375	£456.75
Producers	$750-800	......	$800

	Feb. 17 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$460z	—2.5	$445
Groundnut	$445z	......	$465
Linseed Crude	£316	+1	£316
Palm Malayan	$377.5x	+8.5	$380
Seeds			
Copra Philip	$315z	......	‡
Soyabean (U.S.)	$245	—2	$240
Grains			
Barley Fut. May	£118.60	+0.10	£115.40
Maize	£149.00	......	£146.00
Wheat Fut. May	£121.90	+0.05	£123.00
No2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1840	—10	£1230
Fut. May	£1517	—12.5	£1208.5
Coffee Ft. May	£1633	—0.5	£1661
Cotton A. Index	74.30c	+0.5	72.85c
Gas Oil Mar	$235.5	—6.25	$277.5
Rubber kilo	66.75p	+0.25	54.5p
Sugar (Raw)	£112zx	—3	£100
Woolt'ps 64s	402p kilo	......	385p kilo

‡ Unquoted. w March. x April. z Feb-March. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	29.70-29.75	+0.10
Iranian Light	27.10-27.50	—0.25
Arabian Heavy	27.50-27.75	—0.15
North Sea (Forties)	28.90-29.05	+0.02
North Sea (Brent)	29.10	—
African Bonny L'ht	28.75-28.90	—0.10
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	267-270	—
Gas oil	246-252	—3.0
Heavy fuel oil	100-161	—

GAS OIL FUTURES

The market opened weaker following the New York close and traded quietly. Prices later eased, falling sharply on the close to end the day on the lows in response to rumours of a Nigerian crude price cut, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Feb.	241.00	—5.55	248.50-41.00
March	256.50	—6.25	241.25-35.00
April	223.00	—5.50	234.00-28.00
May	220.00	—4.25	230.50-25.75
June	226.00	—4.25	230.25-26.00
July	226.50	—2.50	231.50-29.50
Aug	231.00	—2.00	233.25-31.75
Sept.	231.50	—3.50	234.25-32.00
Oct.	234.00	—4.00	235.25-34.00

Turnover: 2,210 (2,427) lots of 100 tonnes.

GOLD MARKETS

Gold fell $4½ an ounce from Wednesday's close in the London bullion market yesterday to finish at $503½-504½. It opened at $506¾-507¾ and drifted easier for most of the day in rather quiet and featureless trading. The dollar's steadier performance later in the day may have discouraged any rally.

In Paris the 12½ kilo bar was fixed at FFr 110,600 per kilo ($507.56 per ounce) in the afternoon compared with FFr 110,600 ($508.22) in the morning and FFr 112,000 ($509.36) on Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 38,775 per kilo ($504.75 per ounce) against DM 39,340 ($507.97) previously and closed at $504½-505½ from $508-509.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $506.50 from $510.75.

In Zurich gold finished at $504-$507 against $507-510.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
February	502.50-3.50	—5.850	—
March	504.00-6.00	—5.450	—
April	508.60-9.10	—5.500	512.40-07.8
May	512.30-5.00	—5.550	—
June	510.00-7.00	—5.550	018.80
July	520.50-1.00	—5.850	520.00
August	524.50-5.50	—5.250	527.10

Turnover: 837 (863) lots of 100 troy ounces.

	Feb. 17		Feb. 16	
Gold Bullion (fine ounce)				
Close	$503½-504½	(£325-326¼)	$508-509	(£328-328¾)
Opening	$506¼-507¼	(£328¼-327½)	$506¼-507¼	(£328-328¾)
Morning fixing	$506	(£326.873)	$500.75	(£328.318)
Afternoon fixing	$504.75	(£326.000)	$508.50	(£329.403)

Gold Coins Feb. 17					
Krugrnd	$517-518	(£335¼-335¾)	King Sov	$119-120½	(£77-77¾)
½ Krug	$266¼-267¾	(£172-173½)	Victoria Sov	$119-120½	(£77-77¾)
¼ Krg	$136-137	(£88¼-88¾)	French 20s	$105½-107½	(£68½-69¾)
1/10 Krug	$56-56	(£35¾-36¼)	50 pesos Mex	$605-608	(£392-394¼)
Mapleleaf	$515-516½	(£333¾-334¾)	100 Cor. Aust	$488-488	(£310½-316)
New Sov	$119½-119¾	(£76¾-77¼)	$20 Eagles	$620-630	(£402-408½)
½ New Sov	$70-72	(£45½-46¾)			

EUROPEAN MARKETS

ROTTERDAM, February 17.

Wheat—(U.S. $ per tonne) U.S. No. Two Red Winter March 160, April 161, May 162, June 164. U.S. No. Three Amber Durum April/May 169, June 170, July 171. U.S. No. Two Northern Spring 14 per cent Feb 187, March 188.50, April/May 169, May 169, June 170, July 171. Canadian Western Red Spring April/May 185.25.

Maize—(U.S. $ per tonne): U.S. No. Three Yellow spot 133, Feb 132.50, March 131.25, April/June 133.50, July/Sept 138, Oct/Dec 132.50, Jan/March 140 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Feb 237, March 239, April 242, May 244.50, June 246.75, July 250, Aug 252.25, Sept 253, Oct 250, Nov 250, Dec 254, Jan 258.75 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 212.50 traded; afloat 212.50, Feb 212.50, March 213, April 214.50, April/Sept 219, Nov/March 232 sellers. Pellets Brazil Feb 229, March 227.50, April 226.50, April/Sept 228.90 sellers.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER PRICES LOST GROUND on the London Metal Exchange following the decline in precious metal prices. Forward metal fell to a day's low of £1,113 but later rallied to close the late Kerb at £1,116.5. LEAD was finally £314, ZINC £458.2, ALUMINIUM £841.5 and NICKEL £2,880. Continued buffer stock support boosted TIN to £8,492.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1088-.5	—5	1082.5-3.5	—11.5
3 months	1121-.5	—4.25	1116-.5	—11.0
Settlem't	1088.5	—6	—	......
Cathodes				
Cash	1067-8	—4	1060.5-1.5	—12
3 months	1097-8	—4	1090-1	—11.2
Settlem't	1068	—4	—	......
U.S. Prod.	—	—	*79-83	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,088, three months £1,117, 16, 17, 18, 18.5, 20, 21, 21.5, 21, 22, 21.5. Cathodes: cash £1,068, three months £1,098. Kerb: Higher Grade: Three months £1,120.5, 20, 12, 18, 12, 20. Afternoon: Higher Grade: Three months £1,118, 17.5, 17, 10, 10.5, 17, 17.0, 17, 18, 10.5, 17, 16.5. Cathodes: Cash £1,060.5, three months £1,091. Kerb: Higher Grade: Three months £1,113, 12, 13, 14, 15, 16, 17, 10.5. Turnover, 3,425 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8405-505	+52.5	8405-505	+52.5
3 months	8490-5	+55	8400-5	+60
Settlem't	8505	+65	—	......
Standard				
Cash	8405-505	+52.5	8495-505	+52.5
3 months	8486-1	+58	8460-5	+60
Settlem't	8505	+65	—	......
Straits E.	$29.38	—0.03	—	......
New York				

Tin—Morning: Standard: Cash £8,510, 05, 8,500, three months £8,470, 75, 90, 95, 90. Kerb: Standard: Cash £8,500, three months £8,491. Afternoon: Standard: Three months £8,486, 95, 92, 21, 90, 95. Kerb: Standard: Three months £8,495, 91. Turnover, 1,720 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	298.25-75	+.25	301.5-2.5	—2.37
3 months	310-.5	......	313.5-4	—2
Settlem't	298.75	+25	—	......
U.S. Spot	—	......	*30.5-4	......

Lead—Morning: Cash £298.5, 98.25, 98.50, three months £311, 10.5, 10, 10.5, 11, 10.5, 10. Kerb: Three months £310, 10.5. Afternoon: Three months £311, 11.5, 12, 11.5, 13.5, 13. Kerb: Three months £312.5, 13.8, 14, 13, 13.5, 13. Turnover, 8,625 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	445-.0	+5.25	442.75-3.25	—.5
3 months	452-.66	+3.75	458-.25	+.375
Settlem't	440	+5	—	......
Primw'ts	—	......	*40-.75	......

Zinc—Morning: Three months £454.5, 55, 56, 56.5, 57, 57.5, 58.5. Kerb: Three months £458, 58. Afternoon: Three months £460, 59.5, 58, 58.5, 58. Kerb: Three months £458.5, 58, 58.5. Turnover, 5,925 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	815-.4	—3	818-.5	—6
3 months	838.5-40	—2.75	838.5-.8	—6

Aluminium—Morning: Three months £835, 34, 33.5, 33, 32, 31, 31.5, 37, 38, 38.5, 38, 39.5. Kerb: Three months £838, 37, 38. Afternoon: Three months £839, 38.5, 38, 37, 38, 37.5, 38, 39, 38.5. Kerb. Three months £837, 38, 39, 38.0, 39, 40, 41. Turnover, 5,175 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2848-.8	—35	2819-28	—52
3 months	2900-4	—40.5	2891-2	—01

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel—Morning, Cash £2,845, three months £2,910, 05, 2,900, 04, 05. Kerb: Three months £2,895, 90, 85, 75, 65. Afternoon: Three months £2,875, 70, 75, 72, 80, 85, 90, 85, 81. Kerb: Three months £2,881, 80. Turnover, 2,738 tonnes.

SILVER

LME—Turnover 145 (115), lots of 10,000 ozs. Morning: Three months 973, 72, 71, 69, 68. Kerb: Three months 967, 68, 69. Afternoon: Three months 973, 72.5, 68.5, 69. Kerb: Three months 968.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	947.40p	—1.25	943.5p	—9.5
3 months	971.55p	—1.55	968.5p	—6.75
6 months	994.85p	—1.45	—	......
12 months	1046.80p	—1.55	—	......

Silver was fixed 1.25p an ounce lower for spot delivery in the London bullion market yesterday at 947.4p. U.S. cent equivalents of the fixing levels were: spot $14.663, up 0.1c; three-month $14.968, up 0.4c; six-month $15.296, up 8.1c; and 12-month $16.056, up 5.8c. The metal opened at 951-954p ($14.74-14.79) and closed at 946-948p ($14.61-14.65).

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1521-23	—15.0	1525-863
May	1510-18	—18.5	1548-11
July	1530-31	—13.0	1500-87
Sept.	1538-40	—11.5	1305-30
Dec.	1543-45	—13.5	1571-41
March	1560-65	—10.0	1584-65
May	1570-80	—8.5	1594-87

Sales: 4,866 (6,852) lots of 10 tonnes.

ICCO—Daily price for Feb 17, 89.27 (90.38). Indicator prices for Feb 18: 89.46 (89.28).

COFFEE

A reaction to the previous easier close led to a mixed session, the market being unable to establish any particular direction, reports Drexel Burnham Lambert.

COFFEE	Yest'day's Close	+ or —	Business Done
March	1688-90	+5.0	1608-74
May	1632-34	—0.5	1640-22
July	1528-23	—4.0	1540-25
Sept.	1478-79	+15.0	1480-60
Nov	1450-38	—0.6	1345-20
January	1402-10	—1.5	—
March	1376-85	+7.5	—

Sales: 3,511 (3,811) lots of 5 tonnes.

ICO indicator prices for Feb 16 (U.S. cents per pound): Comp. daily 1979 124.45 (125.35); 15-day average 124.77 (124.86).

GRAINS

The market opened 40p higher on old crop wheat on merchant buying, 25p up on old crop barley, and unchanged on new crops. Features of the day were heavy shipper buying of March barley, widening of March/May wheat spread and continued hedge selling of new crops, reports Acli.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Mar.	128.85	—0.45	118.50	+0.55
May	101.80	—0.95	119.65	+0.10
July	135.90	—0.10	—	—
Sep.	117.00	—0.10	109.80	—0.15
Nov.	110.45	—0.20	115.50	—0.20
Jan	122.85	—6.15	116.50	

Business done—Wheat: March 129.70-8.85, May 132.25-1.90, July 134.40-3.85, Sept 117.05-7.00, Nov untraded, Jan 122.85 only. Sales: 225 lots of 100 tonnes. Barley: March 118.30-8.05, May 119.80-9.65, Sept untraded, Nov 113.30 only, Jan untraded. Sales: 228 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: S. East £110.80, S. West 116.90, W. Midlands 116.40, N. West 113.90. The UK monetary coefficient for the week beginning Monday February 21 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent March 122.25, April-May 121.25, June 122 transhipment east coast. English feed fob Feb 127 Boston, March 129.50 east coast. Maize: French Feb 149 transhipment east coast. South African white/yellow March-April 97.50 seller. Barley: English feed fob Feb 122 1st half March 122.50, July 123.25, Sept 112.50 east coast. Rest unquoted.

POTATOES

Follow-through selling initially put April down to £74 before profit-takers moved in. Some stop loss buying emerged before prices eased back on trade quietened, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	75.40	75.00	76.00-74.00
May	83.50	82.00	85.00-81.50
Nov.	67.50	67.70	—
Feb.	70.50	70.80	—

Turnover: 534 (1,282) lots of 40 tonnes.

RUBBER

The London physical market opened slightly steadier, and with good terminal interest throughout the day closed firm. Lewis and Peat reported a March fob price for No 1 RSS in Kuala Lumpur of 225.0 (222.5) cents a kg and SMR 20 198.5 (196.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Mar	675-680	660-690	—
Apr	680-000	676-680	676
Apl-Jne	693-695	686-687	698-687
Jly-Sept	715-718	714-710	724-708
Oct-Dec	737-768	730-730	744-750
Jan-Mch	758-761	757-758	760-751
Apl-Jne	781-783	780-782	786-782
Jly-Sept	804-805	804-805	806-804
Oct-Dec	829-831	828-830	830

Sales: 744 (926) lots of 15 tonnes, 2 (0) lots of 5 tonnes.

Physical closing prices (buyers) were: spot 66.75p (66.50p); March 67.25p (67.00); April 68.25p (68.00p).

SOYABEAN MEAL

The market opened £1 lower in quiet conditions and prices remained in narrow ranges, reports T. C. Roddick.

	Yesterdy's Close	+ or —	Business Done
	£ per tonne		
Feb	148.00-47.9	+1.08	—
April	145.00-45.4	—1.45	145.60-45.50
June	146.30-46.5	—1.15	146.30-45.40
August	145.70-46.9	—1.75	146.80-45.80
October	148.40-49.8	—1.15	150.50-48.50
Dec	155.50-5.69	—6.75	155.86
Feb	156.00-59.0	—1.88	158.50

Sales: 52 (83) lots of 100 tonnes.

SOYABEAN OIL—After an unchanged opening, mixed buying steadied prices which closed with small gains. Close (U.S. $ per tonne): Feb 400.00, 403.00, untraded; Apr 412.50, 413.00, 413.50-412.00; June 426.50, 427.00, 427.00-425.00; Aug 435.50, 437.00, 436.50; Oct 443.00, 450.00, u/t; Dec 450.00, 460.00, u/t; Feb 460.00, 470.00, u/t. Sales: 49 (182) lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £112.00 (£115.00) a tonne cif Feb-March-April shipment. White sugar £144.00 (same).

The market opened around overnight levels but buying interest was lacking. Prices drifted over the day, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	118.00-18.30	120.75-21.00	121.00-18.60
May	119.00-16.25	122.25-22.35	122.00-16.75
Aug.	127.50-27.55	130.60-30.50	130.00-27.00
Oct.	134.15-34.50	136.80-36.90	135.50-33.75
Dec.	139.25-40.25	141.00-42.00	140.50-42.50
March	140.00-49.00	151.25-51.75	149.50-48.00
May	150.50-55.00	155.25-56.00	—

Sales: 2,578 (3,771) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £218.00 (£220.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Feb 16: Daily price 0.82 (6.88); 15-day average 0.41 (0.39).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business). Australian cents per kg. March 538.6, 538.0, 539.5-538.0; May 558.0, 560.6, 557.5-555.0; July 567.0, 568.0, 568.0-567.5; Oct 553.0, 554.0; 556.0-552.5; Dec 558.0, 559.6, 560.0; March 568.0, 569.0, 569.0-567.0; May 574.5-578.0, untraded; July 584.0, 586.0, untraded. Sales: 107.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 356, 358, 358; May 371, 373, 372-371; Aug 394, 396, 399-395; Oct 405, 410, 408-405; Dec 410, 415, nil; Jan 413, 418, nil; March 419, 422, 421; May 430, 433, 432-431; Aug 438, 445, nil. Sales: 29.

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 79.3 to 84.0; Ulster hindquarters 92.5 to 95.3, forequarters 91.5 to 62.8. Veal—Dutch hinds and ends 135.0 to 138.5. Lamb: English small 84.0 to 90.0, medium 82.0 to 86.0, heavy 74.0 to 78.0; Scotch heavy 74.0 to 77.5. Imported: New Zealand PL 49.0 to 50.5, PX 44.5 to 46.5.

MEAT COMMISSION—Average fatstock prices at representative markets: GB—Cattle 93.52p per kg lw (−0.33). GB—Sheep 188.36p per kg est dcw (−3.31). GB—Pigs 66.95p per kg lw (+1.33).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Wilkings—Spania: 0.20-5.60. Satsumas—Spania: 10kg 4.00-4.50. Minneolas—Jaffa: 4.80-6.50 according to size. Oranges—Spania: Navels 4.00-5.50; Jaffa: Shamouti 40 5.25, 50 5.55, 90 5.85, 75 8.00, 88 0.10, 105 5.75, 123 5.65, 144 5.45, 168 5.30; Moroccan: Navels 3.80-5.00. Sevilles—Spanish: 40lb 4.00. Lemons—Turkish: 80/150 3.00-4.00; Cyprus: 9kg 2.80-3.80; Spania: tray 5kg 25/50 1.80-2.40; Jaffa: tray 42/42 2.00-2.30; carton 3.80-5.50. Grapefruit—Cyprus: 27/56 3.00-4.00; Jaffa: 32 4.75, 30 4.85, 40 5.00, 48 0.10, 56 4.30, 64 3.90, 75 3.75, 88 3.40, Ruby 5.50-7.00; U.S.: Ruby 8.50-3.00 according to size. Apples—French: 18kg Golden Delicious 5.00-7.00, Starkcrimson 4.00-5.50, Granny Smith 5.50-7.50; U.S.: Red Delicious 9.50-12.50; Canadian: Red Delicious 8.50-12.50. Pears—Cape: Williams Bon Chretien 33lb 6.50-7.00; Dutch: Comice 14lb 3.85-4.20, Conference 12kg 0.00; Italian: Passacrassana 12-14lb, per pound 0.10-0.15. Peaches—Cape: 3.50-4.50; Chilean: 7.00-6.00. Nectarines—Chilean: Single-layer trays 3.00; Cape 5.00-0.00. Grapes—Cape: Sultana 10.50-11.00, Ban San Hannah 7.00-7.6, Bien Donne 6.50, Waltham Cross 11.50-12.00, Alphonse 3.50; Brazilian: 11lb Italia 10.00, Ruby 9.00-16.00; U.S.: Red Emperor per pound 0.45-0.55. Strawberries—Israeli: 8oz 0.70; Spanish 0.70; U.S.: 12oz 1.50-1.80. Plums—Cape: Gaviota 3.00-5.00, Eldorado 2.50-4.00, Ruby Nel 3.00-4.00; Harry Pickstone 2.50-5.00, Red Sun 2.50-4.00. Melons—Cape: White 5.50-7.00, Yellow 7.20-8.00; Spanish: Green 15kg 10.00-15.00; Brazilian: Yellow 10kg 7.00-8.00, 6kg 5.00-5.50. Pineapples—Ivory Coast: 20s 0.40, 12'C 0.55, 12'B 0.75, 0'S 1.00; Ghanian: each 0.90-1.20 according to size; Kenya 0' 1.30-1.60. Bananas—Colombian: 40lb boxes 9.40-9.80. Avocados: U.S.: 9.50-7.00; Israeli: 3.00-3.90; Canary: 4.50-5.20. Paw Paws—Brazilian: 7.00-7.50. Kiwifruit—New Zealand: 8.00-8.50; U.S.: 7.50-9.00. Mangoes—Brazilian: 8.00-6.50; Kenyan: 0.00; S. African 5.50-6.50. Litchees—S. African: per pound 6.70-0.90. Asparagus—U.S.: per pound 2.50-2.80. Fennel—Italian: 20lb 4.00-4.50. Sugar Peas—Moroccan: 7lb 5.00; U.S.: 10lb 12.00. Calabrese—Italian: 10lb 2.50-3.00. Endive—French: 0.00. Tomatoes—Spanish: 6kg 1.50-2.50; Canary: 1.50-3.20. Lettuces—Dutch: 24s 4.60-5.80. Celery—Spanish: 5.00-0.00; Italian 5.50-5.00; Israeli: 9.50. Artichokes—Cyprus: 12s 5.40, Spanish: 24s 6.00. Aubergines—Canary: 5kg 5.50.

INDICES

FINANCIAL TIMES

Feb. 16	Feb. 15	M'th ago	Y'ar ago
258.86	259.40	247.64	247.54

(Base: July 1 1952=100)

REUTERS

Feb. 17	Feb. 16	M'th ago	Y'ar ago
1607.8	1599.7	1031.4	1016.7

(Base: September 18 1931=100)

MOODY'S

Feb. 16	Feb. 10	M'th ago	Y'ar ago
1084.0	1080.0	1045.0	1018.0

(December 31 1931=100)

DOW JONES

Dow Jones	Feb. 16	Feb. 15	Month ago	Year ago
Spot	140.29	148.61	142.50	128.76
Fut'rs	151.39	186.99	146.62	160.20

(Base: December 31 1974=100)

AMERICAN MARKETS

NEW YORK, February 17.

Precious metals started lower in response to weakness in foreign currencies and stock market weakness, but gold firmed briefly on afternoon strength in financial instruments and currencies before coming under renewed pressure due to liquidation. Copper attracted buying due to the constructive housing starts report. Heating oil came under technical selling pressure; buying interest is largely absent ahead of pricing announcements by BNOC. Sugar consolidated after recent gains. Lack of fresh fundamentals in cocoa discouraged buying interest. Coffee was strong on short-covering ahead of the weekend with participants awaiting the outcome of the ICO meeting regarding the release of 500,000 bags in export quotas. Cotton consolidated ahead of the day's USDA planting intention report. Grains firmed ahead of the USDA planting report with maize stronger due to commercial pricing and soyabeans higher in anticipation of an export credit/subsidy programme for soyabean oil, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1877	1908	1870	1893
July	1903	1925	1892	1913
Sept	1919	1940	1908	1931
Dec	1938	1955	1930	1949
March	1950	1964	1950	1964
May	1965	—	—	1949
May	1965	—	—	1979

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
March	128.17	128.35	125.25	125.14
May	120.15	120.50	119.50	119.44
July	118.76	118.90	117.60	117.84
Sept	117.93	118.00	117.00	110.73
Dec	114.28	114.75	114.20	114.25
March	111.75	112.25	112.00	110.76
May	106.75	—	—	106.50
July	108.00	108.25	107.90	107.25

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Feb	77.35	—	—	76.90
March	77.70	77.75	76.65	77.25
April	78.50	78.00	76.00	79.00
May	79.30	79.40	78.30	78.75
July	80.90	80.90	79.90	80.30
Sept	82.05	82.10	81.20	81.50
Dec	83.70	83.90	82.00	83.16
Jan	84.25	84.40	83.70	83.70
March	85.35	85.60	84.60	84.80
May	86.45	86.70	85.95	85.90

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	66.17	66.35	66.02	66.31
May	67.80	68.08	67.73	67.92
July	68.86	69.03	68.80	69.00
Oct	67.65	67.85	67.70	67.90
Dec	67.91	68.05	67.83	67.89
March	69.35	69.55	65.40	69.45
May	70.25	—	—	70.40
July	70.50	—	—	70.60

SUGAR WORLD "11" 112,000, cents/lb

	Close	High	Low	Prev
March	6.94	7.00	6.86	6.86
May	7.17	7.18	7.05	7.16
July	7.52	7.54	7.40	7.54
Sept	7.92	7.93	7.82	7.00
Oct	8.12	8.20	8.04	8.14
March	8.17	9.17	8.08	8.18
May	9.45	9.42	9.32	8.51
July	8.68	—	—	8.71

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	502.0	507.0	502.5	505.7
March	503.2	505.5	505.0	506.9
April	508.6	513.0	507.0	511.0
June	515.6	521.0	515.0	518.6
August	523.8	528.5	523.0	526.8
Oct	532.2	536.3	533.0	535.2
Dec	540.8	544.8	540.0	543.8
Feb	549.5	555.0	548.5	552.5
April	558.4	562.0	559.0	561.4
June	567.4	570.0	570.0	570.4
August	576.6	—	—	579.6
Oct	585.0	—	—	589.0
Dec	595.6	597.6	594.6	598.6

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
March	74.25	76.15	74.05	75.93
April	70.10	72.00	70.10	71.73
May	68.74	70.80	68.68	70.66
June	68.70	70.75	68.70	70.70
July	69.28	71.10	68.10	71.00
August	70.05	71.90	70.75	72.00
Sept	71.05	72.50	72.25	73.00
Oct	77.05	73.35	73.00	74.00
Nov	73.05	75.00	73.80	75.00
Dec	74.05	76.25	74.56	76.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	470.5	—	—	478.9
March	473.6	475.0	475.0	479.4
April	475.5	486.5	475.0	481.0
July	480.0	492.0	480.6	486.9
Oct	487.0	498.0	487.0	493.8
Jan	494.5	505.6	499.0	501.4
April	502.0	517.0	513.0	508.9

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Feb	1450.5	1471.0	1480.6	1471.5
March	1453.0	1481.0	1460.0	1475.0
April	1464.7	1493.0	1471.6	1487.0
May	1477.0	1505.6	1475.6	1499.9
July	1502.0	1531.0	1500.6	1524.5
Sept	1528.7	1555.0	1520.6	1549.0
Dec	1563.0	1596.0	1565.0	1587.0
Jan	1575.5	—	—	1599.0
March	1589.5	1631.6	1605.0	1624.0
May	1623.5	1652.0	1636.6	1648.6

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.60	63.77	63.32	63.45
April	63.70	64.12	63.60	64.02
June	65.02	65.35	64.82	65.22
Aug	63.70	64.00	63.60	63.80
Oct	61.82	62.10	61.70	62.00
Dec	62.57	63.05	62.55	62.97

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	58.97	59.25	58.25	59.45
April	54.30	54.40	53.75	54.07
June	56.07	56.25	55.35	55.70
July	56.02	56.10	55.25	55.70
Aug	54.05	54.20	53.62	53.92
Oct	49.85	49.90	49.60	49.65
Dec	49.40	49.50	49.25	49.27
Feb	48.52	48.52	48.50	48.55
April	47.40	47.40	47.40	47.50

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	277.8	278.2	274.0	275.4
May	288.0	289.4	284.8	285.4
July	296.0	297.0	291.6	292.4
Sept	294.4	295.0	290.0	290.4
Dec	293.2	294.6	289.4	289.6
March	301.0	301.0	297.2	297.4
May	307.0	307.6	304.0	303.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	80.66	80.66	77.00	78.85
March	79.07	79.20	77.15	77.37
May	79.80	79.90	77.85	78.10
July	79.16	79.20	77.15	77.27
August	77.00	77.00	75.10	75.05
Feb	67.47	67.47	65.80	66.90
March	66.32	66.32	65.90	64.75
May	68.25	66.25	68.25	66.75
July	66.25	66.25	66.25	66.50

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	596.4	599.0	592.2	593.4
May	612.0	614.4	607.4	608.6
July	625.4	627.4	621.2	622.4
Aug	629.4	631.0	625.0	626.0
Sept	630.0	631.4	626.0	627.0
Nov	638.4	641.6	634.0	635.2
Jan	651.4	652.0	646.4	648.0
March	664.4	664.4	659.4	661.0
May	675.0	676.0	659.4	672.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	178.2	178.8	177.3	178.3
May	182.4	182.5	181.0	182.1
July	185.6	186.0	184.4	185.7
Aug	187.0	187.5	185.5	186.9
Sept	187.5	187.8	186.5	180.0
Oct	189.0	189.5	188.0	189.0
Dec	193.6	193.0	191.5	192.0
Jan	195.0	195.0	193.0	194.9
March	199.0	199.0	197.2	198.2

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
March	17.57	17.65	17.28	17.29
May	18.00	18.30	17.73	17.74
July	18.43	18.58	18.11	18.16
Aug	18.50	18.60	18.25	18.30
Sept	18.60	18.70	18.40	18.47
Oct	18.65	18.80	18.58	18.61
Dec	18.95	19.05	18.80	18.90
Jan	19.00	19.18	19.00	19.13
March	19.28	19.37	19.28	19.42

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	344.4	346.4	341.0	344.0
May	357.2	358.0	354.2	356.4
July	367.6	368.6	362.4	364.2
Sept	376.4	377.0	372.4	373.8
Dec	390.0	392.0	388.0	389.2
March	402.6	405.0	400.4	402.0

SPOT PRICES—Chicago loose lard 17.25 (17.00) cents per pound. Handy and Harman bullion spot 1460.0 (1474.5) cents per troy ounce. New York tin 605.0-09.0 (602.0-07.5).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 120 tonnes. Mixed operations indicated some trade involvement among spinners. Activity centred on Middle Eastern growths including Russian and Turkish.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100⅝	92⅞	Treasury 9¼pc '83	99½	...	9.28	10.06
104⅝	96⅞	Exch. 13½pc '83	102		13.25	10.58
101¼	91⅞	Exch. 10pc 1983	99½		10.03	10.33
98¼	97⅛	Funding 5½pc '82-84‡‡	97¼	+⅛	5.66	8.70
103¾	91⅞	Exch. 11¼pc 1984	101½xd		15.12	9.98
107¼	96¾	Exchequer 14pc 1984	104¼		13.37	10.29
94½	81⅛	Exch. 3pc 1984	94		3.19	7.82
105¼	91½	Treasury 12pc 1984	102⅝xd		11.69	10.20
112	96¾	Treasury 15pc 1985	107¾xd	+¼	13.96	10.79
112¼	89½	Exch. 12pc Cnv '85	104⅝xd	−¼	11.46	9.43
91¼	73½	Treasury 3pc 1985	90	−⅛	3.33	7.93
105½	87½	Treasury 11½pc 1985	101½	−¼	11.31	10.69
102	95½	Treas 8¼pc Cnv '85	98¾	−¼	0.86	9.28
107⅝	88⅝	Exch. 12¼pc 1985	102¾	−¼	15.92	11.03
106⅝	86⅛	Exch 11¾pc '86	101¾xd	−¼	11.55	11.06
09½	69	Treasury 3pc 1986	87	−⅛	3.45	7.60
107¾	86¼	Treasury 12pc '86	102⅝	−¼	11.69	11.01
100	80⅛	Treasury 8¼pc '84-86‡‡	96¼		11.69	9.65
116¼	96⅛	Treas 12¼pc '86 Cnv.	108	−¼	11.34	9.44
114	41⅞	Exch. 14pc 1986	108¼	−¼	12.94	11.20
112	90	Exch. 13¼pc 1987	106½	−¼	12.44	11.15
84	83⅝	Exchequer 2½pc 1987	83⅞	−¼	2.98	7.19
103½	95⅛	Exch 10½pc 1987	98⅛	−¼	10.69	11.04
—	—	Ex 10½pc '87 A (£30pd)	E98½		10.69	11.05
93⅝	73⅞	Funding 6½pc '85-87‡‡	91⅛		7.12	9.05
85¼	64½	Treasury 3pc 1987	84¼		3.56	7.24
109	85⅞	Treas 12pc 1987	102⅝	−¼	11.65	11.25
98	72½	Treasury 7¾pc '85-88‡‡	91¼		8.45	9.90
		Five to Fifteen Years				
102¾	45½	Exch 10½pc '88	100⅝	−⅛	10.70	11.15
81	60⅛	Transport 3pc '78-88	79½	−¼	1.79	7.85
99	91	Treas. 9½pc '88	95¾	−⅛	10.14	11.08
107¾	74⅞	Treasury 11½pc 1984	99¾xd		11.51	11.53
65⅝	62½	Treasury 5pc '86-84	00½	−¼	6.35	9.35
117¼	85⅝	Treasury 13pc 1990‡‡	107½		12.23	11.64
112	85⅝	Exch 12½pc 1990	102¾xd		12.04	11.70
48⅛	70⅛	Treasury 8¼pc '87-90‡‡	88¼	−¼	9.45	10.80
110⅜	77⅞	Treasury 11¾pc 1991	101⅛	−⅛	11.74	11.72
84⅞	54⅝	Funding 5¾pc '87-91‡‡	79¼	−¼	7.41	9.81
104⅛	76⅛	Exch. 11pc 1991	100¼	−¼	12.05	11.68
116⅞	81⅞	Treasury 12¾pc '92‡‡	106½	−¼	12.05	15.68
102¼	70	Treasury 10pc 1992	93xd	−¼	10.74	11.24
112¾	80⅞	Exch 12¼pc '92	103xd	−¼	11.87	11.69
118¼	88⅛	Exchequer 13½pc '92	108½xd	−¼	12.31	11.79
116½	80⅛	Treasury 12½pc '93‡‡	106¼	−¼	11.90	11.65
81½	56¼	Funding 6pc 1993‡‡	73½xd	−¼	8.15	10.11
124¾	88	Treasury 13¾pc 1993‡‡	115¼	−¼	12.28	11.75
128¼	41⅝	Treasury 14½pc '94‡‡	116⅞xd	−¼	12.36	11.67
114¼	86¼	Exchequer 13½pc 1994	314¼	−¼	12.27	11.85
115½	80⅛	Exch. 12½pc 1994	104⅝xd	−¼	11.93	11.74
96⅛	66¼	Treasury 9pc '94‡‡	90¼	−¼	30.23	10.83
113¼	76½	Treasury 12pc '95	102⅞	−¼	11.75	11.67
66¾	42⅝	Gas 3pc '90-'95	63		4.83	7.90
103¼	68½	Exch. 10¼pc 1995	93⅝	−¼	11.04	11.34
116⅛	83¼	Treasury 12¾pc '95‡‡	111	−⅛	11.84	11.57
127¾	86¼	Treas. 14pc '96	115⅝	−⅛	12.22	11.77
97	66⅛	Treasury 9pc '92/96‡‡	86⅝xd	−¼	10.32	10.85
113	96	Treasury 15¼pc '96‡‡	128	−¼	12.35	11.70
120	86	Exchequer 13¼pc '96‡‡	115	−¼	11.88	11.52
63¾	43⅛	Redemption 3pc 1986-96	60		5.10	0.02
124	83½	Treasury 13¼pc '97‡‡	112¼	−¼	11.85	11.53
105¼	69⅝	Exchequer 10½pc 1997	94⅝xd	−¼	11.09	11.26
94½	64	Treasury 8¾pc 1997‡‡	84½xd	−¼	10.32	30.85
132¼	94¼	Exch. 15pc 1997	127	−¼	12.26	11.76
		Over Fifteen Years				
79⅛	54½	Treasury 6¾pc '95-98‡‡	73½	−¼	9.44	10.56
138¾	99½	Treas. 15½pc '98‡‡	133⅛	−⅛	12.19	11.67
116⅝	78¼	Exch. 12pc 1998	107¼	−¼	11.51	11.40
100⅝	66	Treasury 9½pc 1999‡‡	90¼	−¼	10.63	10.92
116	01¼	Exch. 12¼pc 1999	105⅝xd	−⅛	11.52	11.39
107	71⅛	Treasury 10½pc 1999	97⅞	−¼	11.02	11.13
124¼	82¼	Treas. 13pc 2000	112¾	−¼	11.64	11.46
151	89	Treas. 14pc '98-01	120¼	−¼	11.98	11.61
116½	76½	Exch. 12pc '99-02	105¼	−¼	15.44	11.33
129½	85⅞	Treas 13¾pc 2000-03	117½	−¼	11.79	11.52
113¾	78¼	Treasury 11½pc '01-04	102¼xd	−½	11.15	11.10

[illegible]

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS & HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh.50c.	300	....	025c	10.3	5.8
33	10	Wankie Col. 2$1	19	....	t03c	1.2	10.7
28	12	Zam Cpr SBD0.24	26	....	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	10	♥ACM 20c	23½	..	—	—	—
28	6	♥Argosy Gold NL 25c	10	..	—	—	—
61	46	♥Black Hill Mins.	62	+3	—	—	—
151	54	♥Bond Corp.	63	+3	gQ10c	2.3	10.7
154	58	♥Bougainville 1 Kina	153	+2	Q3 42c	φ	1.4
273	147	♥CRA 50c	245	..	‡Q5c	—	‡
154	10	♥Carr Boyd 20c	132	..	—	—	—
56	21½	♥Central Pacific	26	+1	—	—	—
360	152	♥Crusader Oil	255	..	—	—	—
26	7	♥Cultus Pac NL	9½	−½	—	—	—
27	7	♥Eagle Corp 10c	11	−½	—	—	—
23	8½	♥Endeavour 20c	12½	+½	—	—	—
810	120	♥GM Kalgoorlie 25c	810	..	hQ10c	φ	0.8
244	134	Hampton Areas 10p	220	..	7.0	2.8	2.0
32	10	♥Haoma NW	24	−1	—	—	—
94	28	♥Hill Minerals N.L.	90	−2	—	—	—
22	9	♥Intnl Mining	21	−2	—	—	—

[illegible]

Tins

[illegible]

Miscellaneous

For Burma see Southwest Res

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
135	27	♥Colby Res Corp.	120	−5	—	—	—
485	170	Cons. Murch. 10c.	480	−5	‡Q60c	1.9	‡
8	1½	‡‡Explaura Gold	5½	.....	—	—	—
155	55	♥Highwood Res	145	+3	—	—	—
£40½	£25	Homestake Mining $1	£38¼	−⅛	Q40c	—	0.6
495	160	Northgate C$1	475	−5	—	—	—
552	344	R.T.Z.	525	−7	16.0	1.6	4.9
£122	£84	Do 9½% Cv Ln 95-2000	£116½	−1	Q9½%	23.9	8.2
33	11	♥Sabina Inds C$1	30	+3	—	—	—
17½	12½	‡Southwest Res 10p	14	−½	—	—	—
530	270	♥Tara Exptn $1	475	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ‡† Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	49	.....
Bertrams	17½	.....
Bdg'wtr. Est. 50p	485	.....
Craig & Rose £1	£12½	.....
Finlay Pkg. 5p	30	−1
Graig Ship. £1	£21	.....
Higsons Brew	105	.....
Holt (Jos) 25p	800	.....
I.O.M. Stm. £1	98xd	.....
Pearce (C. H.)	£12	.....
Peel Hldgs.	164	.....

IRISH

Exch. 15pc 1983	£108	.....
Nat. 9¾% 84/89	£82	.....
Fin. 13% 97/02	£94½	.....
Alliance Gas	118	.....
Arnott	190	+1
Carroll (P.J.)	83	+1
Concrete Prods.	46	.....
Heiton (Hldgs.)	25	.....
Ins. Corpn. Ireland	340	−10
Irish Ropes	27	+1
Jacob	81	.....
T.M.G.	40	.....
Unidare	[illegible]	.....

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 31

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar erratic in thin trading

The dollar recovered from its early lows as the market re-assessed the recent statement made by Federal Reserve Board chairman Paul Volcker. Trading was rather thin however and after opening weaker the U.S. unit soon attracted short covering. It held on to most of the day's improvement but was losing ground in early New York trading.

The pound was quietly steady with a little nervousness ahead of today's price announcement for North Sea oil.

DOLLAR — Trade weighted index (Bank of England) 119.0 against 122.2 six months ago. The dollar still shows a small rise on the year because U.S. interest rates have not fallen as expected. High Federal funding requirements have also kept rates firm while recent indications of a more accommodative monetary policy and renewed hopes of a cut in the discount rate have so far had little effect on the exchange rate.

The dollar closed at DM 2.3975 against the dollar compared with DM 2.3890 on Wednesday, having been as low as DM 2.3830 during the day. Against the Swiss franc it rose to SwFr 1.9925 from SwFr 1.9825 and Y233.30 from Y232.75. It was also firmer in terms of the French franc at FFr 6.8025 compared with FFr 6.7725.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5150. January average 1.5735. Trade weighted index 80.7 against 80.6 at noon and at the opening and compared with 80.7 on Wednesday and 91.1 six months ago. Sterling has ceased to decline at the rate seen in January and November but is still very weak and vulnerable. Factors suggested as causing the decline include fears over lower oil prices and the uncertainty of an early general election. Falling inflation, a decreasing budget deficit and one of the largest trade surpluses of any major industrialised nation appear to have been ignored for the time being.

Sterling opened at $1.5460 against the dollar and touched a best level of $1.5510. However as the dollar improved the pound managed to hang on to some of its early strength and finished at $1.5420-1.5430, a fall of just 65 points. Against the D-mark it closed at DM 3.70 from DM 3.7025 and SwFr 3.0750 from SwFr 3.0725. It eased against the yen a little to Y360 from Y360.75 but rose in terms of the French franc to FFr 10.4925 from FFr 10.4825.

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. January average 2.3900. Trade weighted index 126.6 against 124.5 six months ago. The D-mark has been unsettled in the run up to a March general election. Favourable trade figures and little hope of a cut in rates before March have helped to underpin the currency however and sentiment has improved recently on a weakening of the dollar.

The dollar eased to DM 2.3897 from DM 2.4085 at yesterday's fixing in Frankfurt and sterling was lower at DM 3.6980 compared with DM 3.7070. The French franc dipped to DM 35.26 per FFr 100 from DM 35.265 and the Belgian franc was lower at DM 5.0790 per BFr 100 compared with DM 5.0870. Both these currencies attracted support within the EMS to help relieve the pressure. The dollar showed a firmer trend after the fixing although the market was unable to show any clear trend.

JAPANESE YEN — Trading range against the dollar in 1982-1983 is 277.35 to 219.00. January average 249.27. Trade weighted index 146.0 against 129.2. The yen has improved against the dollar partly on the attraction of Japanese capital and equity markets. High foreign interest rates had previously led to an outflow of funds.

The dollar finished above its worst levels in Tokyo yesterday, having been sold on Mr Volcker's testimony to Congress. It closed at Y232.10, up from a day's low of Y231.20 but down from Wednesday's close of Y234.35. Trading was rather thin and although the dollar finished on a firmer note, most dealers expected it to show a further decline in days to come.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.0679	+0.22	+1.66	±1.5501
Danish Krone ...	8.23400	8.10255	−1.60	−0.18	±1.6430
German D-Mark	2.33379	2.28786	−1.67	−0.53	±1.0888
French Franc ...	6.61387	6.48683	−1.92	−0.48	±1.3940
Dutch Guilder ...	2.57971	2.52867	−1.98	−0.54	±1.5004
Irish Punt........	0.691011	0.689072	−0.28	+1.16	±1.6691
Italian Lira	1350.27	1319.63	−2.27	−1.40	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Feb. 17	£	$		£ Note Rates
Argentine Peso	88,856-88,960	57,500-57,560	Austria	25.85-26.15
Australia Dollar	1.5095-1.5945	1.0515-1.0630	Belgium	75.10-76.10
Brazil Cruzeiro	441.09-449.09	285.11-290.54	Denmark	13.04-13.17
Finland Markka	8.6295-8.6555	5.5565-5.5340	France	10.45-10.55
Greek Drachma	130.907-130.087	85.10-85.40	Germany	3.68¼-3.79¼
Hong Kong Dollar	10.18¼-10.20¼	6.0976-6.6025	Italy	2110-2150
Iran Rial	129.50*	83.90*	Japan	359-364
Kuwait Dinar KD	0.448-0.449	0.29045-0.29080	Netherlands	4.06½-4.10½
Luxembourg Fr.	72.85-72.95	47.25-47.27	Norway	10.83-10.93
Malaysia Dollar	3.4950-3.5050	2.2655-2.2075	Portugal	140-155
New Zealand Dlr.	2.1510-2.1595	1.3830-1.3850	Spain	190¼-206
Saudi Arab. Riyal	5.5080-5.3140	3.4395-3.4405	Sweden	11.30-11.45
Singapore Dollar	3.19-3.20	2.0680-2.0700	Switzerland	3.06-3.09
Sth. African Rand	1.6890-1.6915	1.0950-1.0960	United States	1.53½-1.56½
U.A.E. Dirham	5.0608-5.0730	3.5715-3.0730	Yugoslavia	109-114

*Selling rates

**The Australian dollar/sterling rate on Feb 16 should have read 1.5890-1.5910.

CURRENCY MOVEMENTS

Feb. 17	Bank of England Index	Morgan Guaranty Change %
Sterling	80.7	−39.0
U.S. dollar	119.0	+9.8
Canadian dollar	90.0	−17.2
Austrian schilling	120.7	+30.2
Belgian franc	94.0	−1.8
Danish kroner	84.8	−9.5
Deutsche mark	120.0	+55.0
Swiss franc	159.9	+107.5
Guilder	119.0	+27.1
French franc	74.3	−10.2
Lira	53.4	−58.3
Yen	140.0	+69.5

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 17	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.709790	0.619017
U.S. $	8½	1.09777	0.957405
Canadian $	9.70	*	1.17194
Austria Sch	4¾	18.4458	16.0950
Belgian F	11½	51.6995	45.0679
Danish Kr	10	9.22988	8.10855
D mark	5	2.60334	2.28790
Guilder	4½	2.90031	2.52807
French F	9½	7.44014	6.48683
Lira	18	1513.00	1319.02
Yen	5½	304.909	222.706
Norwgn Kr.	8	7.71023	6.73098
Spanish Pta	—	140.899	122.034
Swedish Kr	8	8.08508	7.05269
Swiss Fr	4½	2.17799	1.90028
Greek Dr'ch	20½	n.a.	78.6624

* CS/SDR rate for Feb 16: 1.33758.

THE POUND SPOT AND FORWARD

Feb 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5400-1.5510	1.5420-1.5430*	0.30-0.25c pm	2.14	0.74-0.69 pm	1.85
Canada	1.8870-1.8960	1.8890-1.8900	0.30-0.20c pm	1.59	0.75-0.65 pm	1.48
Nethlnd.	4.07½-4.10½	4.08½-4.09½	2¼-1¾c pm	5.67	9½-6 pm	6.11
Belgium	72.85-73.05	72.85-72.95	10-20c dis	−2.47	56-65 dis	−3.29
Denmark	13.07-13.12	13.09½-13.10½	5¼-6¼ore dis	−5.21	23¾-25 dis	−7.42
Ireland	1.1100-1.1180	1.1130-1.1150	0.31-0.36p dis	−3.61	1.00-1.10dis	−3.77
W. Ger.	3.69½-3.71½	3.69½-3.70½	1⅞-1⅝pf pm	5.27	5¼-4¾ pm	5.40
Portugal	139.75-142.75	140.25-142.25	610-1295c dis	−76.67	785-2340dis	−44.25
Spain	198.00-199.00	198.50-198.80	175-250c dis	−13.14	490-580dis	−10.77
Italy	2,129-2,135	2,130-2,132	14-19 lire dis	−8.01	58-63 dis	−11.38
Norway	10.85½-10.89½	10.87-10.88	½ore pm-1¼ dis	−0.62	6⅞-8 dis	−2.73
France	10.47-10.51	10.48¾-10.49¾	9½-11¼c dis	−12.01	31¾-34¼dis	−12.67
Sweden	11.37-11.41	11.37½-11.38½	¼ore pm-⅞ dis	−0.33	1½-2½ dis	−0.68
Japan	358-362	359½-360½	1.40-1.20y pm	4.33	4.00-3.80 pm	4.33
Austria	25.90-26.10	26.00-26.05	11⅛-9⅞gro pm	4.96	34-29¼ pm	4.85
Switz.	3.06-3.09	3.07-3.08	2⅜-1⅞c pm	9.29	6½-6 pm	9.13

Belgian rate is for convertible francs. Financial franc 75.45-75.55. Six-month forward dollar 1.08-1.03c pm, 12-month 1.45-1.30c pm. * The closing rate on February 16 should have read 1.5485-1.5495.

THE DOLLAR SPOT AND FORWARD

Feb 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5400-1.5510	1.5420-1.5430	0.30-0.25c pm	2.14	0.74-0.69 pm	1.89
Ireland†	1.3860-1.3910	1.3860-1.3875	0.79-0.72c pm	6.44	2.35-2.10 pm	6.48
Canada	1.2225-1.2256	1.2250-1.2255	0.03-0.06c dis	−0.44	0.08-0.11dis	−0.31
Nethlnd.	2.6380-2.6530	2.6490-2.6510	0.90-0.80c pm	3.86	2.88-2.78 pm	4.28
Belgium	47.00-47.32	47.25-47.27	18-20c dis	−4.82	61-66 dis	−5.33
Denmark	8.4550-8.4900	8.4800-8.4900	3½-4½ore dis	−5.66	13¼-14¼dis	−6.49
W. Ger.	2.3830-2.4000	2.3970-2.3980	0.64-0.59pf pm	3.08	2.13-2.08 pm	3.01
Portugal	90.50-93.00	91.00-92.50	350-850c dis	−78.47	550-1550dis	−45.78
Spain	128.00-128.75	128.60-128.70	125-175c dis	−14.01	380-430dis	−12.61
Italy	1,377-1,382½	1,381½-1,382½	12½-14 lire dis	−11.54	46-48 dis	−13.64
Norway	7.0280-7.0500	7.0350-7.0450	1½-2½ore dis	−3.41	7½-8½ dis	−4.65
France	6.7600-6.8100	6.8000-6.8050	7¼-7¾c dis	−13.23	23½-25 dis	−14.28
Sweden	7.3580-7.3800	7.3740-7.3790	1.30-1.80ore dis	−2.52	4.20-4.70dis	−2.41
Japan	231.65-233.80	233.25-233.35	0.46-0.39y pm	2.19	1.47-1.37 pm	2.43
Austria	16.78½-16.85	16.84-16.85	4½-3½gro pm	2.78	14-11½ pm	3.02
Switz.	1.9810-1.9960	1.9920-1.9930	1.03-0.98c pm	6.06	3.14-3.09 pm	6.25

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 48.90-49.00.

EXCHANGE CROSS RATES

Feb. 17	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.543	3.700	360.0	10.493	3.075	4.090	2131.	1.890	76.90
U.S. Dollar	0.648	1.	2.398	233.4	6.802	1.994	2.653	1382.	1.226	47.26
Deutschemark	0.270	0.417	1.	97.30	2.836	0.831	1.105	576.9	0.511	19.70
Japanese Yen 1,000	2.778	4.285	10.28	1000.	29.15	8.542	11.36	5910.	5.249	202.5
French Franc 10	0.953	1.470	3.526	343.1	10.	2.931	3.898	2031.	1.801	69.48
Swiss Franc	0.325	0.502	1.203	117.1	3.412	1.	1.330	693.0	0.614	23.71
Dutch Guilder	0.244	0.377	0.905	88.02	2.565	0.752	1.	521.0	0.462	17.82
Italian Lira 1,000	0.469	0.724	1.736	168.9	4.924	1.443	1.919	1000.	0.887	34.21
Canadian Dollar	0.529	0.816	1.958	190.5	5.553	1.627	2.165	1128.	1.	38.58
Belgian Franc 100	1.379	2.116	5.075	493.9	14.30	4.219	5.610	2923.	2.592	100.

FINANCIAL FUTURES

Eurodollar quiet

Much of yesterday's trading was confined to a fairly narrow range in the London International Financial Futures Exchange. After the progressive build up ahead of Mr Volcker's testimony to Congress, the market appeared to be left in a partial vacuum with little clear direction. What did become clear however was that the threat of higher U.S. rates has now been removed but the market appeared to be equally convinced that this was unlikely to herald a quick reduction in U.S. rates. Consequently the dollar staged a recovery after its initial markdown.

Euro-dollar prices spent most of the day going nowhere. After opening at 90.90, the March price eased to a low of 90.87 before rallying on the entry of Chicago to finish at 90.91 compared with Wednesday's close of 90.89. In that narrow spread however some 845 lots were traded.

Sterling was looking a little unsteady in the morning and although gilts opened a little higher, values soon began to drift. The March contract opened at 102-15 up from 102-10 and touched a best level of 102-18 before slipping away steadily to a low of 101-16. It finished at 101-23 with a little bear squeeze at the end. Sentiment was a little subdued ahead of today's announcement of North Sea oil price reductions and the super optionists were probably disappointed by the Bank of England keeping its money market dealing rates unchanged.

Three-month sterling deposits were also pretty lacklustre. A slight rise in rates in the cash market pushed values lower with the money market seeing an early reflex action to sterling's weakness coupled with another large credit shortage. The June price opened at 89.98, unchanged from Wednesday's close, but fell to a low of 89.82. There had been hardly any recovery by the close with a price of 89.85.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.91	90.95	90.87	90.89
June	90.62	90.64	90.57	90.59
Sept	90.26	90.30	90.19	90.15
Dec	90.00	90.00	89.98	89.90
March	89.75	—	—	89.69

Volume 1,446 (1,615)
Previous day's open int 3,208 (3,078)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	89.41	89.44	89.38	89.47
June	89.85	89.98	89.82	89.98
Sept	89.97	90.00	89.90	90.07
Dec	90.01	90.01	89.97	90.06

Volume 466 (657)
Previous day's open int 2,434 (2,481)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	101-23	102-18	101-16	102-10
June	101-11	102-05	101-08	101-28
Sept	100-27	101-12	100-24	101-12

Volume 2,077 (1,921)
Previous day's open int 2,326 (2,226)
Basis quote (clean cash price of 13¼% Treasury 1996 less equivalent price of near futures contract) 10 to 23 (32nds) div 24 to 34 ex div (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.5455	1.5495	1.5445	1.5485
June	1.5410	1.5410	1.5395	1.5450
Sept	1.5337	—	—	1.5302

Volume 82 (408)
Previous day's open int 823 (895)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4189	0.4199	0.4184	0.4169
June	0.4229	0.4235	0.4225	0.4189
Sept	0.4260	0.4260	0.4260	0.4219

Volume 111 (19)
Previous day's open int 251 (256)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.5049	0.5080	0.5047	0.5042
June	0.5130	0.5130	0.5125	0.5110
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Volume 44 (59)
Previous day's open int 344 (343)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4303	0.4319	0.4298	0.4278
June	0.4331	0.4348	0.4327	0.4300
Sept	0.4336	—	—	0.4315

Volume 85 (60)
Previous day's open int 350 (362)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	74-19	74-23	74-12	74-09
June	73-26	73-30	73-20	73-17
Sept	73-07	73-10	73-00	72-30
Dec	72-24	72-29	72-10	72-19
March	72-12	72-15	72-08	72-05
June	72-02	72-04	71-31	71-28
Sept	71-25	71-29	71-24	71-21
Dec	71-17	71-24	71-14	71-16
March	71-18	71-18	71-18	71-12
June	71-12	71-14	71-12	71-09

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.93	91.98	91.88	91.89
June	91.81	91.86	91.78	91.76
Sept	91.46	91.50	91.44	91.42
Dec	91.06	91.13	91.06	91.07
March	90.75	90.78	90.75	90.74
June	90.49	90.49	90.48	90.49
Sept	—	—	—	90.24
Dec	—	—	—	90.02

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.23	90.30	90.23	90.20
March	91.31	91.37	91.25	91.27
June	90.93	90.96	90.88	90.89
Sept	90.54	90.55	90.50	90.49

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.67	90.70	90.62	90.63
June	90.37	90.39	90.31	90.30
Sept	90.02	90.03	89.95	89.96
Dec	89.73	89.77	89.70	89.73
Feb	—	—	—	—

STERLING (IMM) $e per £

	Latest	High	Low	Prev
March	1.5415	1.5455	1.5360	1.5440
June	1.5365	1.5395	1.5325	1.5395
Sept	1.5335	1.5370	1.5310	1.5380
Dec	1.5290	1.5350	1.5290	1.5310
March	—	—	—	—
June	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-02	69-05	68-27	68-24
June	67-31	67-31	67-24	67-20
Sept	67-04	67-09	66-31	66-28
Dec	66-18	66-20	66-12	66-09
March	66-02	66-05	65-30	65-26
June	65-16	65-21	65-16	65-13
Sept	65-06	65-10	65-06	65-01
Dec	—	—	—	64-25
March	—	—	—	64-18

MONEY MARKETS

UK rates show little change

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

UK interest rates showed little change yesterday. Trading was rather featureless with the Bank of England continuing to provide assistance through small bill purchases at unchanged rates and repurchase agreements on longer term paper. Overnight money in the interbank market opened at 11⅛-11¼ per cent and rose initially to 11¾ per cent before coming back to 11½ per cent. Rates fell away in the afternoon to 9 per cent before finishing at 11 per cent.

The Bank forecast a shortage of £550m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills −£417m and Exchequer transactions −£60m. The authorities gave assistance in the morning of £437m, having revised the forecast to a shortage of £650m. The morning help comprised purchases of £5m of local authority bills in band 1 (up to 14 days) and £21m of eligible bank bills. In band 2 (15-33 days) it bought £43m of eligible bank bills and in band 3 (34-63 days) a further £11m, all at 11 per cent. It also arranged sale and repurchase agreements on £357m of bills at 11-11$\frac{1}{16}$ per cent, unwinding on March 24. Further help was given in the afternoon of £144m, making a grand total of £581m. The afternoon help comprised purchases of £14m of eligible bank bills in band 1, £129m in band 2 and £1m in band 3 all at 11 per cent.

In Frankfurt the Bundesbank left credit policies and key lending rates unchanged. This was in line with market expectations since no changes had been anticipated so close to next month's general election. Call money was quoted at 5.50-5.55 per cent down from 5.575 per cent on Wednesday. This was seen as a result of high liquidity levels with an expected squeeze as tax payments fell due being delayed by recent carnival celebrations.

In Paris call money rose from 12¾ per cent on Wednesday to 12$\frac{15}{16}$ per cent, its highest level this year. Period rates were also firmer with one-month money at 13$\frac{1}{16}$ per cent up from 12⅞ per cent. Euro-French franc rates were also firm with the French authorities continuing to show concern over recent weakness of the French franc, notably against the D-mark.

LONDON MONEY RATES

Feb. 17 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9-11⅛	—	—	—	10¾-11¾	11-11¼	—	—	—
2 days notice	—	—	11⅛-11⅛	—	—	—	—	—	—	—
7 days or ...	—	—	—	—	—	11⅛	—	—	—	—
7 days notice	—	11⅝-11⅝	11⅛-11½	—	—	11¼	11-11⅛	—	—	—
One month	11½-11⅜	11⅜-11$\frac{5}{16}$	11⅜	12-11⅝	11⅝	11⅝	11	11-11$\frac{1}{32}$	11-11$\frac{1}{32}$	11$\frac{5}{32}$
Two months	11$\frac{5}{16}$-11$\frac{3}{16}$	11¼-11$\frac{3}{16}$	11¼	11⅞-11½	11⅜	11½	10⅞	10$\frac{31}{32}$-10⅞	10$\frac{31}{32}$-10⅞	11½
Three months	11$\frac{3}{16}$-11$\frac{1}{16}$	11$\frac{3}{16}$-11$\frac{1}{16}$	11⅛	11¾-11⅜	11⅛	—	10¾	10¾-10$\frac{11}{16}$	10¾	11⅜
Six months	10¾-10$\frac{11}{16}$	10$\frac{13}{16}$-11	11	10½-10⅛	10⅞	—	—	—	10$\frac{9}{16}$-10⅜	10$\frac{31}{32}$
Nine months	10⅝-10½	10¾-10$\frac{9}{16}$	—	11⅛-10¾	10⅞	—	—	—	—	—
One year	10⅝-10$\frac{9}{16}$	10$\frac{11}{16}$-10½	10⅝	10½-10½	10⅞	—	—	—	—	—
Two years	—	—	11¼	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½ per cent; four years 11⅝ per cent; five years 11¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10⅝ per cent; four month trade bills 11¼ per cent.

Approximate selling rate for one month Treasury bills 10$\frac{29}{32}$ per cent; two months 10¾-10$\frac{25}{32}$ per cent and three months 10½-10¾ per cent. Approximate selling rate for one month bank bills 10$\frac{31}{32}$-11 per cent; two months 10$\frac{13}{16}$ per cent and three months 10$\frac{23}{32}$-10$\frac{11}{16}$ per cent; trade bills 11$\frac{13}{32}$ per cent; two months 11¼ per cent and three month 11⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.6042 per cent. Certificates of Tax Deposit (Series 8). Deposits of £100,000 and over held under one month 11¼ per cent; one-three month 11¼ per cent; three-six month 11 per cent; six-12 month 10¾ per cent. Under £100,000 10½ per cent from February 19. Deposits held under Series 3-5 10¾ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Feb. 17	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	11½-11⅝	11½-11⅝	11⅜-11½	11⅛-11¼	10⅞-11	10$\frac{9}{16}$-10$\frac{11}{16}$
U.S. Dollar	8¾-9	8¾-9	9$\frac{1}{16}$-9$\frac{3}{16}$	9-9¼	9⅜-9$\frac{7}{16}$	9$\frac{9}{16}$-9$\frac{11}{16}$
Can. Dollar	8-9	8¾-9⅛	9-9¼	9⅛-9⅜	9⅜-9⅝	9⅞-10⅛
D. Guilder	4¾-4⅞	4¾-4⅞	4$\frac{11}{16}$-4$\frac{13}{16}$	4$\frac{11}{16}$-4$\frac{13}{16}$	4$\frac{11}{16}$-5$\frac{1}{16}$	5$\frac{1}{16}$-5$\frac{3}{16}$
S. Franc	⅞-1⅛	4¼-4¾	2½-2⅝	2⅞-3	3$\frac{1}{16}$-3$\frac{3}{16}$	3$\frac{7}{16}$-3$\frac{9}{16}$
Deutschm'rk	5$\frac{1}{16}$-5$\frac{3}{16}$	5¼-5½	5⅜-5½	5⅜-5½	5⅜-5½	5⅜-5½
Fr'nch Franc	10⅛-13¼	15-17½	22¾-23¾	23-24	21¾-23	18½-19¼
Italian Lira	10-17½	10-21	21-22¾	22½-23½	22-22¾	21$\frac{9}{16}$-22½
Belg. Franc.. Conv.	11½-18½	12½-13½	13½-14¼	14⅛-14¾	14-14½	13-13½
Fin.	11¾-12¼	12-12¼	12⅛-19⅝	12⅛-12⅝	19¼-19½	12¼-12½
Yen	5⅛-5⅜	5⅛-5½	6¼-6⅝	6⅛-6¼	6$\frac{1}{16}$-6$\frac{3}{16}$	6$\frac{1}{16}$-6$\frac{3}{16}$
D. Krone	15-15½	10½-10⅝	18⅝-19⅛	18⅛-18⅝	17¼-18	17⅛-17⅝
Asia $ (Sing.)	8$\frac{15}{16}$-9$\frac{1}{16}$	9⅛-9¼	9$\frac{3}{16}$-9$\frac{5}{16}$	9$\frac{1}{16}$-9$\frac{3}{16}$	9$\frac{7}{16}$-9$\frac{9}{16}$	9$\frac{9}{16}$-9$\frac{11}{16}$

FT LONDON INTERBANK FIXING
(11.00 a.m. FEBRUARY 17)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 1/8	offer 9 1/4	bid 9 5/16	offer 9 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	8¾-8⅞
Treasury bills (13-week)	8.15
Treasury bills (26-week)	8.25

GERMANY

Lombard	6.0
Overnight rate	5.525
One month	5.475
Three months	5.775
Six months	5.75

FRANCE

Intervention rate	12.5
Overnight rate	12.9375
One month	13.0625
Three months	13.1875
Six months	12.9375

JAPAN

Discount rate	5.5
Call (unconditional)	6.53125
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4½
Overnight rate	½-1½
One month	2$\frac{7}{16}$-2$\frac{9}{16}$
Three months	2⅞-3

NETHERLANDS

Discount rate	4½
Overnight rate	5-5½
One month	4¾-5
Three months	4¾-5
Six months	4⅞-5⅛

$ CERTIFICATES OF DEPOSIT

One month	8.60-8.70
Three months	8.75-8.85
Six months	8.95-9.05
One year	9.20-9.40

LONG TERM EURO $

Two years	10⅞-11⅛
Three years	11⅛-11⅜
Four years	11½-11¾
Five years	11¾-12

SDR LINKED DEPOSITS

One month	9⅝-9⅞
Three months	9¾-10
Six months	9½-9⅞
One year	9$\frac{9}{16}$-9$\frac{13}{16}$

ECU LINKED DEPOSITS

One month	11¼-11¾
Three months	11¾-12¼
Six months	11$\frac{7}{16}$-11$\frac{11}{16}$
One year	10⅞-11¼

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday February 16 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.00
Albania	Lek	6.5083
Algeria	Dinar	4.647
Andorra	Fr. Franc	6.8305
	Sp. Peseta	128.85
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	Peso (1)(4)	54000.
Australia	Dollar	1.0307
Austria	Schilling	16.0886
Azores	Port. Escudo	91.50
Bahamas	Dollar	1.00
Bahrain	Dinar	0.377
Balearic Is	Sp. Peseta	129.85
Bangladesh	Taka	24.10
Barbados	Dollar	2.0113
Belgium	Franc (O)	47.667
	Franc (F)	49.05
Belize	Dollar	2.00
Benin	C.F.A. Franc	341.525
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.8814
Bolivia	Peso (O)	44.00
	Peso (F)	198.00
Botswana	Pula	1.0288
Brazil	Cruzeiro	385.89
Brunei	Dollar	2.067
Bulgaria	Lev	0.955
Burma	Kyat	[illegible]
Burundi	Franc	90.00
Cameroon Rep	C.F.A. Franc	341.525
Canada	Dollar	1.2251
Canary Is	Sp. Peseta	129.85
Cape Verde Is	Escudo	59.645
Cayman Is	Dollar	0.833
Cen. Af. Rep	C.F.A. Franc	341.525
Chad	C.F.A. Franc	341.525
Chile	Peso (O)(3 & 7)	74.50
China	Renminbi Yuan	1.9511
Colombia	Peso (O)	71.79
Comoros	C.F.A. Franc	341.525
Congo (Brazzaville)	C.F.A. Franc	341.525
Costa Rica	Colon (O)	40.86
	Colon (F)	40.00
Cuba	Peso	0.8031
Cyprus	Pound*	2.0157
Czechoslovakia	Koruna	6.10
Denmark	Krone	8.5902
Djibouti Rp. of	Franc	177.72
Dominica	E. Caribbean $	2.70
Dominican Rep	Peso	1.00
Ecuador	Sucre (O)	55.15
	Sucre (F)	71.20
Egypt	Pound (O)	[illegible]
	Pound* (1)	[illegible]
El Salvador	Colon	2.50
Eq'l Guinea	Ekuele	257.70
Ethiopia	Birr	2.0705
Faeroe Is	Dan. Krone	8.5902
Falkland Is	Pound*	1.5577
Fiji Is	Dollar	0.9875
Finland	Markka	5.5665
France	Franc	6.8305
Fr. C'ty in Af.	C.F.A. Franc	341.525
Fr. Guiana	Local Franc	6.8305
Fr. Pac. Is	C.F.P. Franc	124.19
Gabon	C.F.A. Franc	341.525
Gambia	Dalasi	2.6013
Germany (E)	Ostmark	2.4085
Germany (W)	Mark	2.4085
Ghana	Cedi	2.75
Gibraltar	Pound*	1.5577
Greece	Drachma	83.45
Greenland	Dan. Krone	[illegible]

COUNTRY	CURRENCY	VALUE OF DOLLAR
Grenada	E. Caribbean $	9.70
Guadeloupe	Franc	0.8305
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	40.2487
Guinea Rep	Syli	29.5807
Guyana	Dollar	9.9915
Haiti	Gourde	0.00
Honduras Rep	Lempira	2.00
Hong Kong	Dollar	0.595
Hungary	Forint	39.8703
Iceland	Krona	19.17
India	Rupee	9.8814
Indonesia	Rupiah	699.85
Iran	Rial (O)	84.30
Iraq	Dinar	0.3108
Irish Rep	Punt*	[illegible]
Israel	Shekel	[illegible]
Italy	Lira	1386.50
Ivory Coast	C.F.A. Franc	341.525
Jamaica	Dollar	1.7810
Japan	Yen	[illegible]
Jordan	Dinar	[illegible]
Kampuchea	Riel	[illegible]
Kenya	Shilling	[illegible]
Kiribati	Aust. Dollar	1.0307
Korea (Nth)	Won	[illegible]
Korea (Sth)	Won	[illegible]
Kuwait	Dinar	[illegible]
Lao P'ple D. Rep	Kip	10.00
Lebanon	Pound	3.97
Lesotho	Loti	1.1095
Liberia	Dollar	1.00
Libya	Dinar	[illegible]
Liechtenstein	Sw. Franc	1.9925
Luxembourg	Lux Franc	47.667
Macao	Pataca	[illegible]
Madagascar D. R.	Franc	[illegible]
Madeira	Port. Escudo	91.50
Malawi	Kwacha	1.1061
Malaysia	Ringgit	[illegible]
Maldive Is.	Rufiyaa (O)	[illegible]
Mali Rep	Franc	683.05
Malta	Lira*	[illegible]
Martinique	Local Franc	6.8305
Mauritania	Ouguiya	[illegible]
Mauritius	Rupee	[illegible]
Mexico	Peso	[illegible]
Miquelon	Fr. Franc	6.8305
Monaco	Fr. Franc	6.8305
Mongolia	Tugrik (O)	[illegible]
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	[illegible]
Mozambique	Metical	[illegible]
Namibia	S.A. Rand	1.1095
Nauru Is	Aust. Dollar	1.0307
Nepal	Rupee	[illegible]
Netherlands	Guilder	[illegible]
Neth. Ant'les	Guilder	[illegible]
New Zealand	Dollar	[illegible]
Nicaragua	Cordoba	[illegible]
Niger Rp.	C.F.A. Franc	341.525
Nigeria	Naira	[illegible]
Norway	Krone	7.071
Oman, Sultanate of	Rial	[illegible]
Pakistan	Rupee	[illegible]
Panama	Balboa	1.00
Papua N.G.	Kina	[illegible]
Paraguay	Guarani (O)(2)	[illegible]
	Guarani (F)	[illegible]
Peru	Sol	[illegible]

COUNTRY	CURRENCY	VALUE OF DOLLAR
Philippines	Peso	9.478
Pitcairn Is	N.Z. Dollar	1.380
Poland	Zloty (O)	86.80
Portugal	Escudo	91.50
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	9.8305
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.5577
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr. Franc	[illegible]
St. Vincent	E. Caribbean $	[illegible]
Samoa (Western)	Tala	[illegible]
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1386.50
Sao Tome & Principe DR	Dobra	[illegible]
Saudi Arabia	Riyal	[illegible]
Senegal	C.F.A. Franc	341.525
Seychelles	Rupee	[illegible]
Sierra Leone	Leone (O)(4)	[illegible]
Singapore	Dollar	[illegible]
Solomon Is	Dollar	[illegible]
Somali Rep	Shilling	[illegible]
South Africa	Rand	1.1095
Spain	Peseta	129.85
Spain. Ports in N. Africa	Sp. Peseta	129.85
Sri Lanka	Rupee	[illegible]
Sudan Rep	Pound (O)	[illegible]
Surinam	Guilder	[illegible]
Swaziland	Lilangeni	1.1095
Sweden	Krona	[illegible]
Switzerland	Franc	1.9925
Syria	Pound	[illegible]
Taiwan	Dollar (O)	39.97
Tanzania	Shilling	[illegible]
Thailand	Baht	23.00
Togo Rep	C.F.A. Franc	341.525
Tonga Is	Pa'anga	1.0307
Trinidad & Tobago	Dollar	[illegible]
Tunisia	Dinar	[illegible]
Turkey	Lira	[illegible]
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.0307
Uganda	Shilling (6,1st)	[illegible]
	Shilling (5,2nd)	[illegible]
Utd. A'b. Emir.	Dirham	[illegible]
Utd. Kingdom	Pound Sterling*	1.5577
Upper Volta	C.F.A. Franc	341.525
Uruguay	Peso (13)	[illegible]
U.S.S.R.	Rouble (O)	[illegible]
Vanuatu	Vatu	[illegible]
Vatican	Lira	[illegible]
Venezuela	Bolivar	[illegible]
Vietnam	Dong	[illegible]
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	[illegible]
Yemen PDR	Dinar	[illegible]
Yugoslavia	Dinar	[illegible]
Zaire Rp.	Zaire	[illegible]
Zambia	Kwacha	[illegible]
Zimbabwe	Dollar	[illegible]

n.a. Not available. (o) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. [illegible]

Authorised Units—continued

[illegible]

Insurances—continued

[illegible]

Offshore and Overseas—continued

[illegible]